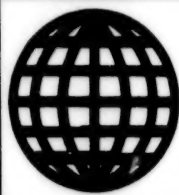


JPRS-SEA-93-001

15 January 1993



**FOREIGN
BROADCAST
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JPRS Report

East Asia

Southeast Asia

East Asia Southeast Asia

JPRS-SEA-93-001

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Plot To Kill Burmese Leader Revealed

93SE0053A Bangkok BANGKOK POST in English
16 Nov 92 p 6

[Text] Rangoon (AFP)—A plot by junior army officers to assassinate the head of Burma's feared military intelligence has been called off following a plea to the conspirators from pro-democracy leaders, according to sources in hiding inside the country.

The plan to kill Major General Khin Nyunt is believed to have been hatched late last year.

The officers involved then contacted opposition leaders to tell them of the plan and ask them to be prepared to step in and take over the government.

But Burmese sources say the opposition members were horrified by the conspiracy.

"The pro-democracy leaders feared that any attempt to kill Khin Nyunt, even if successful, would lead to appalling reprisals by the military," explained one source involved in the negotiations.

"Also they know they are in no position to step in and run the country since most of their most capable leaders have been arrested," added the source.

The sources declined to give details of how many officers were involved in the conspiracy or when the planned attack was to take place.

So secure has Khin Nyunt become that he is now driven around the capital in a bright red Pajero four-wheel drive vehicle without the usual accompanying convoy of armed troops.

There is known to be friction between the 53-year-old Khin Nyunt and senior military commanders who are upset over his lack of front-line experience.

"Many of them see him as an upstart. They are also worried about his clear ambitions of power. That much is clear from private conversations with them," said one resident.

Khin Nyunt is drafting scores of the brightest military officers into the military intelligence where they are expected to stay for several years before going back to their regiments.

"Obviously Khin Nyunt is building up a power base to prepare for the future. He is very ambitious. He wants the top spot but at the moment he has been blocked," said another resident.

Both foreign residents and Burmese in the capital are convinced Khin Nyunt is preparing for the day when former despot Ne Win dies.

It was the aging Ne Win, whose ruthless one-man rule for over 20 years took Burma back into the Dark Ages, who snatched Khin Nyunt out of obscurity and made him intelligence chief.

Although now officially retired, 81-year-old Ne Win, a former postal clerk, is still in charge and reportedly has regular meetings with Khin Nyunt at this home on the shores of Inya Lake.

"No major decision is taken without Ne Win's approval. While he is still alive he has the final say," said one resident.

"But although Ne Win is still believed to be in good health, Khin Nyunt knows he cannot live forever and he wants to protect himself from the generals who have no love for him," added the resident.

Since the bloody crackdown by the military in 1988 that left thousands of unarmed pro-democracy demonstrators dead, Khin Nyunt has involved himself in the running of every major project in the country, making himself the most powerful man after Ne Win.

It is also believed to have made him one of the richest.

His ruthless campaign of terror has virtually eliminated the opposition parties, especially the National League for Democracy (NLD), which swept to victory in the 1990 elections.

Hundreds of political prisoners have been tortured at the hands of military intelligence. In a recent report the London-based human rights group Amnesty International reported that it knew of 20 secret detention camps where brutal interrogations take place.

"Even his friends are scared of him. No one feels safe from him," said one long-time Burma observer recently.

Most independent observers remain convinced that only the eccentric Ne Win, given to irrational outbursts of temper, can bring down Khin Nyunt.

But, for the moment at least, there are no signs of a split between the country's two most powerful men.

POLITICAL**Information Minister on Resurgence of Islam**

93SE0065A Jakarta SUARA KARYA in Indonesian
30 Nov 92 pp 1, 2

[Text] Medan (SUARA KARYA)—Minister of Information H. Achmad Harmoko declared that the resurgence of Islam as the 15th Islamic century approaches is for the strengthening of the unitary state of Indonesia, which is based upon Pancasila [ideology of the Indonesian state], and is not oriented to the establishment of an Islamic state.

Harmoko made this statement Saturday afternoon in Medan as he inaugurated the Mercu Buana Campus of the North Sumatra Muhammadiyah University (UMSU). The campus, which was developed at a cost of 5 billion rupiah, including land, is a grant from well-known businessman H. Probosutedjo.

Harmoko said the resurgence of Islam has three features: first, the strengthening of national unity and integrity on the basis of Pancasila; second, the enhancement of the Indonesian nationhood perspective; and third, improvement of the quality of human resources, particularly in the Islamic community. "Thus, the claim made by a certain group that the resurgence of Islam in Indonesia is oriented to the establishment of an Islamic state is not true. The resurgence of Indonesian Islam is for the strengthening of national unity and integrity on the basis of Pancasila," Harmoko declared in a loud voice. Everyone present, especially members of the UMSU academic community, applauded his statement.

He said most of the human resources of the Indonesian Islamic community are still of low quality in both business and village spheres. "This situation must be improved," he said.

According to Harmoko, the resurgence of Islam must be marked by a resurgence of Islamic intellectuals. It is hoped that the many educational institutions being founded will produce Muslim intellectuals as well as intellectual Muslims. "The creation of intellectuals is very necessary, for the future through which we are to pass will be full of challenges, new aspirations, and obstacles," he said.

Among the challenges, he cited the fact that the work force, which encompasses people with jobs as well as those seeking jobs, has grown sharply in the last two decades. Whereas there were 41.3 million in the work force in 1971, there were 74.4 million in 1990. At the same time, there has been an occupational shift. In 1971, the agriculture sector had 64.2 percent of the jobs, but in 1990 the percentage had declined to 55.9 percent. On the other hand, there was an increase in the number of jobs in the industrial and services sectors.

This shift indicates that the industrial and services sectors have been expanding, thus requiring professional personnel. Educational development in colleges needs to be oriented to job needs so that there will be no educated unemployed and no unemployed college graduates.

Therefore, national development should be directed toward expanding job opportunities in business, industry, agriculture, and services. There should be efforts to increase capabilities and entrepreneurial skills, especially in small and weak businesses and in the informal sector. Development project locations should be distributed evenly. Domestic business patterns should be supported by dependable transportation to facilitate the flow of goods and create mutually beneficial business interrelationships between the government and private businesses and cooperatives, and between small and big businesses. To accomplish all of this, the role of education is central, said Harmoko, for it is only education that can create human resources of quality and dependability.

10 Percent

The campus being inaugurated is made up of three four-story buildings, with landscaping. The buildings are located on 1.5 hectares of land. The buildings have an area of 10,000 square meters and are complete with lecture halls, laboratory, library, and offices. The buildings and land are valued at 5 billion rupiah. All of it was a grant, or donation, from businessman H. Probosutedjo, principal director of PT [Limited Company] Mercu Buana and member of the UMSU Board of Governors.

In his remarks, Probo [Probosutedjo] emphasized that the donation was made with complete sincerity. An outright gift would not be instructive, however. Therefore, Probo asked that managers and the academic community benefiting from the buildings maintain them responsibly, and he asked that at least 10 percent of proceeds be returned to him. The money thus repaid will be donated again to other people needing help. "The money that I am donating does not reduce my assets or income, but an outright gift might not be instructive," he said, explaining that he was not asking for repayment. He said that if he merely sought profits, he would deposit the 5 billion rupiah in a bank and would earn 1 billion rupiah each year without doing anything.

Although a portion should be repaid, Probo asked that the university should not be managed commercially by raising student SPP's [education development contributions]. He also asked that lecturers have adequate incomes so that they can give their full attention to students. The most important thing, he said, is that managers should not seek personal profits, which would cause divisions among the managers. "Avoid such divisions," Probo warned repeatedly. He asked that UMSU produce "graduates plus," meaning graduates with faith and piety.

Radio for Islamic Evangelism

During his inauguration of the campus, Minister of Information Harmoko promised to grant permission for establishment of an Islamic evangelistic radio station to be managed by UMSU. This promise came in response to a request made by UMSU Rector Dr. Dalmy Iskandar during a conversation prior to the ceremony. Harmoko directed the North Sumatra Regional Office of the

Department of Information to help with resolving requirements for the station. "As long as requirements are met, I will give a permit," Harmoko said.

A number of prominent figures spoke during the inauguration ceremony. They included Muhammadiyah Executive Council General Chairman KH [Islamic Scholar and Pilgrim] Ahmad Azhar Basyir, M.A., and MUI [Indonesian Muslim Scholars Council] Chairman KH Hasan Basri.

Minister Sees Continued Need for Security Efforts

93SE0066C Jakarta *SUARA KARYA* in Indonesian
26 Nov 92 pp 1, 8

[Text] Jakarta (SUARA KARYA)—MENHANKAM [Minister of Defense and Security] L.B. Murdani said that sociocultural problems are latent throughout the Asia Pacific area, including Southeast Asia generally. The prominent elements of these problems are ethnic and tribal conflicts, conflicts among races, and lack of tolerance among religious communities and people of differing ancestries.

MENHANKAM L.B. Murdani said this Wednesday [25 November] in a DPR [Parliament] Commission I working meeting led by Commission I Chairwoman Mrs. Aisyah Amini. The MENHANKAM's statement came in response to a question by a commission member. During the meeting, the MENHANKAM also answered oral questions from members on a variety of government, national, and public issues and on international matters.

According to L.B. Murdani, the present Cambodian problem is actually a continuation of the ethnic conflicts among Vietnamese, Cambodians, and Thais that have existed since before French colonial days. The ethnic conflict between Vietnamese and Chinese has existed since before the modern history of the two countries.

Each country in Southeast Asia with a pluralistic population should therefore guard its national unity and integrity against challenges that could shake its national foundations.

As an example, the MENHANKAM cited the situation in Yugoslavia, from which we can learn that the country disintegrated because of sociocultural problems and not because of military, sociopolitical, or socioeconomic issues.

He said nations that obtained independence since World War II are generally in a long process of national development for the sake of achieving a level of maturity that will enable them to check all kinds of forces that would break up their unitary states. The understanding of a nation and state founded on national values often faces challenges that can unsettle national unity.

With sociocultural conditions still not established, these young countries are now facing foreign interference, which is now looked on as standard in modes of international relations that increasingly depart from the ethics of the past. This is evident in the way economic assistance and facilities are provided and in conducting

trade that is conditional on adherence to human rights and democracy according to the donor country's version.

The MENHANKAM said there are also cases of foreign intervention into the self-determination process itself by the long arm of human rights. Such interference will directly hinder the nation-building process, which has as its objective the unity of territory and of people.

"I think all DPR members will agree with me that our national territory, which extends from Sabang to Merauke and is divided into 27 provinces, is not negotiable. Our sovereignty as a nation of 27 provinces must be maintained, whatever the odds, for a nation's sovereignty is its honor. Therefore, every act of foreign interference that encourages separatism must be opposed and, when necessary, forcibly resisted. Foreign interference is facilitated by advances in information technology. Such resistance to interference is the only way to uphold the ethics of international relations while simultaneously ensuring the authority of the government," the MENHANKAM said.

Carelessness

Introducing the subject of defense and security, the MENHANKAM said many members of the public have been infected with a belief that the end of the cold war means national stability is automatically created and that the latent threat of communism is empty talk. Some people even think that there is no longer any need for security along all our borders and that it is no longer a problem.

"In my opinion, such thinking is the beginning of a carelessness, which if it becomes widespread, could one day face us with a surprise," the MENHANKAM said.

It must be admitted, the MENHANKAM said, that at this time when the world seems to be at peace the maintenance of a national defense capability in general, and of ABRI [Indonesian Armed Forces] in particular, appears to be unpopular. This is especially true when we look at the physical and spiritual advances that have been made without any disruptions at all.

This view exists because the people look only at what is on the surface, whereas the sources of disruption of public peace and tranquillity are more often below the surface. They cannot be seen easily or anticipated by people who are not members of the security apparatus. "In brief, what I want to say is that national stability does not simply fall from the sky, but is the result of effort commensurate with the intensity of developments around us," the MENHANKAM said.

The MENHANKAM also said that threats from within the country are much greater than threats from abroad. Threats from within the country take the form of unrest caused by socioeconomic disparities where national development is not successful in reducing socioeconomic injustice. There is also the threat of violent unrest instigated by certain groups who force their own agenda through unconstitutional ways when the existing political system is not successful in accommodating the

aspirations that are evolving among the people. There is the threat of armed rebellion of a separatist nature when the distribution of development does not reach all the provinces in the same way. There could also be armed rebellion provoked by groups wanting to change the national ideology and create a new state when national development fails to apply Pancasila thoroughly and fails to prevent the emergence of extremist groups.

Akatsuki Maru

In reply to a question about the ship Akatsuki Maru, which is carrying uranium, the MENHANKAM said that Indonesia as an island country has ratified the Law of the Sea Convention, which provides for shipping lanes for the sake of freedom in international shipping, as long as ships using those lanes have no hostile intent or put particular political pressure on our country.

"We must all remember that the provision of shipping lanes among our islands does not merely constitute compliance with international responsibilities. It also means that our sovereignty over our entire national territory is respected by the world, in accordance with the convention. If we begin to be selective as to who may and may not use these shipping lanes, we must understand that at another time there may be parties who refuse to respect our national borders as prescribed in the convention," the MENHANKAM said.

Tactics of East Timor Military Chief

93SE0066A Jakarta EDITOR in Indonesian 5 Dec 92
p 31

[Article by Masduki Baidlawi: "'Bird and Farmer' Philosophy"]

[Text] "Pak Theo [Theo Syafei] is a decisive person. When he encountered FRETILIN [Revolutionary Front for an Independent East Timor] fighters, he ordered us to attack until they were finished. We didn't expect to eat until then." This is the admission of a soldier who served under Theo Syafei in 1978.

In 1978, Theo Syafei—now East Timor PANGKOLAKOPS [Commander of Operations Executive Command] with rank of brigadier general—was DAN YON 745 [commander of 745th Battalion] in East Timor, a unit established by Udayana KODAM [Military Region Command]. The battalion was considered an "elite force," because it was made up of selected combat personnel. Before becoming PANGKOLAKOPS, Theo also served as deputy East Timor PANGKOLAKOPS, a post to which he was appointed in 1985. Syafei, a 1965 graduate of the AMN [National Military Academy], has been duty in East Timor since 1975, when the 27th Indonesian province was in the midst of turmoil.

In other words, Theo has developed much experience in East Timor. That is obviously one reason for his recent success in maintaining security in Indonesia's newest province. What is his recipe?

In conducting operations in East Timor, Theo likens himself to a homeowner or farmer and FRETILIN

terrorists to birds. "I like to see flocks of birds crossing the sky above my house, but I will not allow even one wild bird to alight in my yard and certainly will not let one fly through a window and leave droppings in my room," he said.

The principle, he continued, is illustrated by a farmer who allows wild birds to fly over his rice paddy but will not let even one bird alight on his rice plants. "I believe in the principle that says the government does not wield the sword in vain to retaliate with the wrath of the people against insurrection," he said.

This principle is at the heart of all security operations. It can be seen, for example, in the increasingly sharp pursuit and constant cornering of FRETILIN remnants. The most recent incident was a battle with FRETILIN remnants in Baucau Regency.

Besides hunting them in the forests, Theo has been diligent in "special operations" in the cities, especially after hearing that Xanana has recently been entering Dili. One method has been a very stringent checking of identification cards. "The purpose is to prevent Xanana from leaving his hideout, for I want to know where he is hiding," Theo Syafei said.

According to one source, FRETILIN terrorists recently have been leaning toward urban guerrilla tactics, since their forest operations have been increasingly restricted and ineffective. Even before that, reports that Xanana was often in Dili with various disguises clearly "tempted" PANGKOLAKOPS Theo Syafei.

For example, in a special operation launched last January just a few days after Theo was sworn in as PANGKOLAKOPS, security forces arrested Jose Mau Hudu da Costa in Bairopite Village, West Dili. Mau Hudu was known to be Xanana's assistant for sociopolitical affairs.

The East Timor KOLAKOPS [Operations Executive Command] has also been diligently conducting territorial operations. These have included approaches to religious leaders like Bishop Monsignor Felipe Ximenes Belo and other priests. Approaches to underground youth organizations affiliated with FRETILIN terrorists have been equally important.

These approaches have been successful. Many "Fitun" and "Clandestine" groups—student and youth organizations associated with FRETILIN—have disbanded. OJECTIL (Cotalika Youth and Student Organization of East Timor) also recently disbanded. In fact, some young members of OJECTIL have been under the protection of KODIM [Military District Command] 1627 in Dili since the group disbanded.

These youths and students had previously been active in conducting demonstrations and making illegal contacts with FRETILIN guerrillas in the cities. They had been operating freely, because security forces were conducting "operation smile," which had as its objective the encouragement of community participation in view of the possible increased openness of East Timor.

FRETILIN guerrillas used that opportunity to carry out "urban guerrilla" operations. Since Brigadier General Theo Syafei became East Timor PANGKOLAKOPS last January, however, FRETILIN followers have become confused. Their movements have become more and more restricted, especially now that FRETILIN leaders have begun to be apprehended.

PDI Seeks Reform of Presidential Election Process

93SE0065B Jakarta EDITOR in Indonesian 28 Nov 92
pp 32, 33

[Article by Masduki Baidlawi: "Again, the Institution of the Presidency"]

[Text] Meetings of the MPR [People's Consultative Council] Working Committee are heating up again. The PDI [Indonesian Democratic Party] is again faulting the institution of the presidency. That was the case on Monday, 16 November, when the PDI submitted a draft decision at the second ad hoc meeting of the MPR Working Committee at the DPR [Parliament] Building in Senayan, Jakarta.

Most of the meeting was used to discuss the PDI draft. Before the meeting closed, 15 minutes of lobbying went on in an attempt to reach an agreement. The result? No agreement was reached by the time the meeting closed, and discussion of the PDI proposal proceeded until morning in a closed session.

They still met a dead end, however, and it was agreed that discussion would continue on Friday, 20 November. It was interesting that, although the PDI had previously joined hands with the PPP [Development Unity Party] in opposing the power of the "tri-faction" (FKP [Functional Group Faction], F-ABRI [Indonesian Armed Forces Faction], and FUD [Regional Delegates Faction]), this time it is as though the PDI is alone on a "suicide mission."

As it did during the last election campaign, the PDI is calling for renewal. It wants to change and improve procedures for election of the president and the vice president, which up to now have been regulated by Decision No. II/MPR/1973. The PDI feels that the regulations created in the days of KH [Islamic Scholar and Pilgrim H] Dr. Idham Chalid has weaknesses. An example is the procedure for electing the vice president. Article 2 (Paragraph 2) states: "Besides fulfilling the requirements prescribed in Article 1, a candidate for the vice presidency must declare himself willing and able to work with the president." PDI spokesman Dr. Panangian Siregar said statements like this are not necessary and should be eliminated. His justification is that the intent of Article 2 (Paragraph 2) is already incorporated in Article 2 (Paragraph 1), which states: "The president and vice president must be able to work together."

The word "must" in this article means those elected as president and vice president must be able to work together. "Thus, candidates for president and vice president must submit such a statement when they are

nominated before the MPR." Dr. Panangian Siregar said. Furthermore, he declared, the provisions of Article 2 (Paragraph 2) could reduce the power and authority of the MPR as the highest state institution for implementing the people's sovereignty.

In other words, the PDI's position is that a statement of "willingness to work together" does not need to be made to the president-elect, because that would give the impression that the president, and not the MPR, selects the vice president. Such an impression clearly is not consistent with the provisions of the 1945 Constitution. "If such a statement is still considered necessary, it is enough that it be submitted to the MPR alone—and does not need to be covered by a separate article—so that the MPR can decide who among the candidates should be elected vice president," said the spokesman, who comes from North Sumatra.

Consistent with the proposal, all provisions related to Article 2 (Paragraph 2) must be deleted, too. This includes, for example, the part of Article 22 that reads: "... and a written statement of willingness to work with the president." The same is true of Article 23 (Paragraph 2), which states: "To fulfill the provisions of Article 2 (Paragraph 1) of this decision, the president shall declare it in writing when necessary."

If this is not done, the PDI worries that differing interpretations will arise among members of the public. "The proof is that recently some have interpreted the wording to mean that the president-elect is the one who chooses the vice president," he said. This is clearly a mistake, for Article 6 (Paragraph 2) of the 1945 Constitution states: "The president and vice president shall be elected by majority vote of the Peoples Consultative Council."

The PDI also proposed the deletion of Article 13 (Paragraph 1), which states: "When more than one candidate are nominated by the factions, election shall be conducted by secret ballot." Article 13 (Paragraph 2) should also be deleted: "When only one person is nominated, the candidate shall be confirmed as president by the a plenary session of the Council." In its place, the PDI proposes new wording. First: "The president shall be elected by majority vote of the People's Consultative Congress." Second: "Election shall be conducted by secret ballot."

In other words, the PDI desires that although only one presidential candidate is submitted to the Council, there must be a majority vote through secret ballot. If this is done, and if there should be a "single candidate" in the presidential election process—which has become "political culture" under the New Order—it could happen that a single candidate could face an empty ballot box.

This proposal is not without basis. The PDI uses as a reference Article 6 (Paragraph 2) of the 1945 Constitution: "The president and vice president shall be elected by majority vote of the People's Consultative Council." Furthermore, the PDI said through spokesman Dr. Panangian Siregar that in the next term the institution of

the presidency should be regulated by law. The reason is logical: If relationships among the DPR-MPR, the Supreme Court, and the Financial Auditing Board (BPK) are regulated clearly by law, why should not the very strategic institution of the presidency now be regulated by law? Besides, Panangian says, technical aspects of the presidency—such as salary, pension, etc.—are already regulated by law.

Naturally, the PDI proposal received the usual united opposition from the "tri-faction." Through spokesman Achmad Rustandi, the F-ABRI declared disagreement with the proposal for changing the election of the president and vice president. Election by majority vote is possible if there is more than one candidate. If there is only one candidate, why have a vote? "In the election of the president, there is no need for the possibility of an empty ballot box, as in the election of a village head," he said.

Sharper criticism came from GOLKAR [Functional Group]. According to the FKP, understanding of the 1945 Constitution should not be piece by piece, for it must be viewed in its entirety. Article 6 (Paragraph 2), for example, does indeed state that election shall be by majority vote. However, said FKP spokesman A.E. Manihuruk, understanding of that article must be in connection with the spirit of the Preamble to the 1945 Constitution, particularly the fourth principle, which calls for consultation in reaching consensus.

Meanwhile, the FUD attacked from another direction. Spokesman Rachiman Maas said, "The president and vice president have a special status, because the two institutions have their own distinct features. For one thing, not many persons are involved." Therefore, discussion of these two institutions needs to give attention to the aspect of continuity so that problems will not arise later.

Nevertheless, the PDI firmly believes the proposal is a principal matter that must be fought for. PDI DPP [Central Executive Council] General Chairman Soerjadi says the reason for this is that his party feels it not sufficient for the election of the president and vice president to be merely at the level of "agreeing or not agreeing" to a particular person. The level should be raised to awareness of whether a presidential and vice presidential election process is democratic or not.

On a separate occasion, Minister of State and State Secretary Mardiono reminded all parties to see to it that the openness and democratization that is now developing does not get out of control. "We do not want openness and democratization to be like perestroika and glasnost, which brought about the destruction of the Soviet Union," he declared. In this matter the government appears to be extra careful.

For that reason, many people feel the PDI's proposal for regulation of the institution of the presidency will founder. So far, the PDI has acted alone with its concepts that challenge the status quo.

GOLKAR Involved in Village Development

93SE0066B Jakarta KOMPAS in Indonesian 2 Dec 92
p 10

[Text] Cisarua (ANTARA)—GOLKAR [Functional Group] DPP [Central Executive Council] General Chairman Wahono says GOLKAR, as a sociopolitical organization, has great interest in the success of village development, since about 70 percent of GOLKAR's supporters live in the villages.

"For that reason, development of villages and the village community has strategic value in the implementation of the GOLKAR General Program," Wahono said Monday, 12 December, at Cisarua, Bogor, in a written message to the First National Coordination Conference of the Department of Cooperatives, Entrepreneurs, Farmers, and Fishermen of GAKPI [expansion not given]. His message was read by Drs. Imam Sudarwo, chairman for economics, finance, and development of the GOLKAR DPP.

Prof. Dr. Yuyun Wirasmita, member of the expert staff of the minister of cooperatives, opened the three-day conference, which is to last until 3 December and is attended by delegates from 18 GAKPI DPD's [regional executive councils] throughout Indonesia.

Wahono said GOLKAR's commitment to the development of villages and the village community is embodied in the GOLKAR General Program's economic section, which through its Eight Avenues of Even Distribution advocates more even distribution of development and its effects for the sake of achieving social justice for all Indonesians.

Wahono said that in approaching village people, we must have a thorough acquaintance with their characteristics, behavior, culture, and customs.

"This understanding will prevent missteps in developing and encouraging the participation of the village community in national development," Wahono said.

Still Unsatisfactory

He said the conditions of farmers, fishermen, and small businesses are still far from satisfactory. They still think simply and traditionally. Their patterns of life and business are still consumptive, and many of them have inadequate incomes.

"In view of such conditions among the people, it is right that development priority in REPELITA V [Fifth Five-Year Development Plan] is given to the agriculture and industry sector and to absorption of manpower," Wahono said.

Wahono said that with the success of development in other sectors that support these two sectors, the welfare of the people has improved, and fewer people live below the poverty line.

He admitted that farmers, fishermen, and handicraft industries are still weak and that their skills are still

inadequate. Because they lack suitable collateral, they often find it hard to get bank credit. Their competitiveness is also weak.

Wahono said all these things are the responsibility of all Indonesians, including GAKPI cadres associated with the Department of Cooperatives, Entrepreneurs, Farmers, and Fishermen.

Through the application of the GOLKAR General Program and its operations in the field, GOLKAR supports village development and participates in it.

He said he hopes youth groups, neighborhood youth associations, and farmer and fishermen organizations, will be oriented to developing self-sufficiency among village people for the sake of improving their welfare.

ECONOMIC

Status of Trade With Chile

93SE0076D Jakarta SUARA PEMBARUAN
in Indonesian 1 Dec 92 p 4

[Text] Jakarta, 1 Dec—The opening of a "trading house"—a trade office in a country targeted for exports—will greatly help Indonesia to expand its trade ties with Chile. Indonesia can also use Chile as a gateway for the marketing of products in Latin America.

These were the views expressed Monday, 30 November, by M. Sutara, chairman of the America Compartment of KADIN [Chamber of Commerce and Industry], and Chilean Trade Commission representative Nestor Riveros in a seminar held at Borobudur Hotel, Jakarta, on trade relations between Indonesia and Chile.

M. Sutara explained that a "trading house" is also needed because of the distance factor and for enabling acquaintance with markets in that country, since Chile is not a traditional trading partner.

Sutara said the small amount of trade between Indonesia and Chile is the result of four things: Chile is not a traditional trading partner of Indonesian businesses; its markets are relatively unknown; it is far away; and better transportation facilities are needed.

The seminar, which was opened by Junior Minister of Trade Dr. Soedradjad Djiwandono, presented as speakers Chilean trade representatives and Indonesian businessmen who have established business ties with Chile. Their objective was to introduce business opportunities in that country.

Sutara said the fact that many of Chile's products are the same as Indonesia's dampens the enthusiasm of Indonesian businessmen for trade with Chile.

Nevertheless, he said, a "trading house" could accumulate a variety of products to be promoted, which would greatly help small and medium businesses by reducing costs. At this time, only one business has opened a representation in Chile, whereas a Chilean "trading house" has shown interest in trading with Indonesia.

So far, Indonesia has had a deficit in its balance of trade with Chile. Chile's exports to Indonesia have been steadily increasing and in 1989, 1990, and 1991 were valued at \$69.4 million, \$87.3 million, and \$117.5 million, respectively. On the other hand, Indonesia's exports to Chile have risen only slightly: \$5.9 million (1989), \$10.9 million (1990), and \$11.3 million (1991).

Chilean exports to Indonesia include pure copper, animal feed (fish meal), gelatin, cellulose, and several kinds of fertilizer. Indonesian exports to Chile are coal, furniture, electrical equipment, textiles, shoes, etc.

Nestor Riveras said his country's market is still wide open for Indonesian products such as machinery, automobile components, computers, radio and television components, textiles, partially finished wood items, automobile batteries, and other things.

According to Riveros, Indonesian businesses can use Chile as a doorway for the marketing of Indonesian products in Latin America, and, similarly, Indonesia can be a door for the entrance of Chilean products into Southeast Asia.

In this connection, Indonesian Ambassador to Chile Dr. Sukarno Hardjosuparno told PEMBARUAN that Indonesian businesses can take advantage of the Arica Industrial Area (ZOFRI) to process Indonesian products before putting them on the Latin American market. Likewise, Indonesia can offer Batam to Chilean industrialists for the final processing of their goods, he said.

Sukarno said that for Indonesia to balance its trade with Chile, Indonesia must penetrate the market there by means of a "trading house" or a local market survey. If the target market is only Chile, he continued, the market will not be very big, since Chile's population is only 13 million.

The important target is Latin America, with its population of 350 million, he declared. The Indonesian ambassador appeared to be guaranteeing that Indonesian businesses need not worry about the distance, for once they have entered they will be able to penetrate markets in other Latin American countries.

BPEN [National Export Promotion Board] Chairman Rudy Lengkong said on the same occasion that Latin America is a much more promising market than Africa, because GNP's [gross national products] are high. Opportunities are good in Chile, since the purchasing power of the people is on the increase and last year's GNP was \$2,800 [as published]. Import tariffs are low (11 percent), as is inflation, said Rudy Lengkong, a former Indonesian consul general in New York.

To improve trade with Latin America, he added, an Indonesian Trade Promotion Center is to be opened in Mexico City in January, to be followed by one in Santiago.

One obstacle to trade between Indonesia and Chile is the transportation problem. The trade route is being served

by two Chilean shipping companies, CSAV and CCNI, which operate three ships (to which one more is to be added).

According to Amursyah Gustiar, general manager of the Agency Division of PT [Limited Company] Samudera Indonesia, which acts as agent for two Chilean companies, shipping routes have shortened travel time to and from Chile to a maximum of 43 days. Shipping previously had to go via Yokohama, which took up to two months.

He admitted that high shipping costs are an obstacle to expanding trade between Indonesia and Chile. By comparison, shipping to Europe is 50 percent cheaper. Nevertheless, the existence of plans for adding to the shipping fleet serving Southeast Asia and Latin America shows that trade between these regions is on the increase.

Bilateral Issues With France Discussed

93SE0067A Jakarta *SUARA KARYA* in Indonesian
26 Nov 92 pp 1, 11

[Text] Paris (*SUARA KARYA*)—The visit of President and Mrs. Suharto in Paris was shortened by five hours from the initial schedule because final arrangements could not be made for several events. Initially, the president and his entourage were scheduled to leave Paris on 25 November at 1700. Later, the departure was brought forward to 1200, local time. As a result it is estimated that the president and his party will arrive in Jakarta on 26 November at about 1030 WIB [Western Indonesian Time].

Agustianto, a reporter for *SUARA KARYA*, reported from Paris that, although the visit of the president to Paris was shorter than planned, the basic program was followed. The meeting with French President Francis Mitterrand took place and lasted for about two hours. The meeting covered three phases. In the first phase discussions were held and a luncheon was served. After that the two presidents, accompanied by their respective cabinet ministers, engaged in further conversations. Senior officials from the two countries met at the same time. At the meeting with President Mitterrand President Suharto was accompanied by Coordinating Minister for Economic and Financial Affairs RADIUS Prawiro, Minister and State Secretary Moerdiono, and Foreign Minister Ali Alatas. After the luncheon the meeting was continued in another room. Moerdiono said: "The atmosphere indicated that the meeting took place in a very intimate and friendly way."

The second meeting of the two leaders began with bilateral questions. Moerdiono said that they were satisfied with the progress presently being made in relations between the two countries. It is hoped that in the near future these relations will be further improved.

Among the bilateral questions discussed one of them concerned developments in Cambodia, where the two foreign ministers are joint chairmen of the Paris Conference for the resolution of the Cambodian question. The emphasis in the discussions was placed on the problems

of implementing the conclusions of the Tenth Summit Conference of the Non-Aligned Movement [NAM], which was held in Jakarta. Before discussing this matter President Suharto outlined Indonesian domestic developments to President Mitterrand.

On this occasion President Suharto expressed his thanks to President Mitterrand for hosting the meeting of the CGI [Consultative Group for Indonesia] to review aid to Indonesia. As chairman of the Non-Aligned Movement, Indonesia has an important task. Indonesia realizes that this is a very difficult one. In this connection President Suharto broadly sketched the results of the Tenth Summit Conference of the NAM in Jakarta, and particularly the "Jakarta Declaration."

President Suharto said that in a changing world situation the NAM has not changed. Among other things this is proved by the fact that there is a large number of NAM members. This shows that members of the NAM continue to consider that this movement is needed.

With particular reference to the question of Southern Hemisphere problems, it appeared that France welcomed the views of President Suharto on Southern Hemisphere cooperation. If a given country is short of needed funds, it should be able to obtain these funds from a third party—in this case, a developed country.

President Suharto again emphasized that there are many states in the Third World which feel that foreign debts are a heavy burden. In the context of this heavy burden, Indonesia is one of the countries which are able to handle foreign loans effectively.

President Suharto again referred to the commitment of the developed countries to earmark 0.7 percent of their GNP [Gross National Product] to help in the development of the Third World. However, in fact, at present only 0.3 percent of GNP is being provided. There are only one or two countries which are meeting their commitments. France is a country which pays attention to developing the Third World. About 0.6 percent of France's GNP has been earmarked for developing the Third World. In that connection President Suharto hoped that the attitude of France would stimulate the industrially developed countries to increase their aid to the Third World.

Apart from the question of debt the problem of opening a free market for Third World products was also raised. Emphasis was also placed on the importance of facilitating capital flows from the industrially developed countries to the developing countries.

Consultative Group for Indonesia

Meanwhile, in the discussions with Coordinating Minister RADIUS Prawiro it was stated that the French Government was prepared to increase its total aid to Indonesia through the CGI to more than 1.0 billion French francs. RADIUS said that during 1992 France had provided 933 million francs in aid for several projects in Indonesia, while in 1991 the total was 800 million francs. However, according to RADIUS, apart from

CGI aid additional assistance was provided by France, among other things for the purchase of ships for oceanic research and other maritime matters. Radius said: "Therefore, up to now France has indeed played a useful role in cooperation between Northern and Southern Hemisphere countries."

According to Radius, France is a Northern Hemisphere country which has taken serious steps to ease the burden of debt on countries of the Southern Hemisphere. Therefore, in these discussions consideration was given to the effort by countries of the Northern Hemisphere further to ease the burden of debt of the developing countries.

Radius stated that there are about 47 developing countries whose debt burden is considered heavy and about 18 countries whose debt burden is regarded as very heavy. For that reason in the future Indonesia will encourage consideration to be given to this matter by experts throughout the world to arrive jointly at ways of resolving the foreign debt of the developing countries. He said: "Subsequently, the results of such thinking will be presented to the industrially developed countries for their consideration."

Cambodia

Meanwhile, in his conversations with French Foreign Minister Roland Dumas, Indonesian Foreign Minister Ali Alatas reviewed efforts for the resolution of the Cambodian question. According to present plans, a new resolution will be prepared.

According to Alatas, the report of Indonesia and France, the joint chairmen, is now being discussed in the UN Security Council, based on the meeting in Beijing and the report of UN Secretary General Boutros Boutros-Gali on the preparation of a new resolution on Cambodia. However, he said, it is not yet known when the time will be appropriate for the UN Security Council to meet on the Cambodian question. However, based on the report of the joint chairmen, a draft resolution is now being prepared.

In general terms at the present time the task of the UNCTAD [United Nations Conference on Trade and Development] should continue to be to hold general elections in Cambodia, even though the Democratic Party of Cambodia does not wish to take part. This is because, he added, the peace process in Cambodia so far has gone well. Therefore, none of the sides involved can stop it.

Alatas said that on this occasion the two sides also discussed the question of a dialogue between Northern and Southern Hemisphere countries because in any case at the present time Indonesia is a representative of the Nonaligned Movement.

AFTA Poses Threat to Textile Industry

93SE0076B Jakarta *SUARA PEMBARUAN*
in Indonesian 30 Nov 92 p 4

[Text] Jakarta, 30 Nov—The opening of free trade throughout ASEAN in what is known as AFTA (ASEAN

Free Trade Area) will threaten our domestic textile market, because Indonesian textile companies have been more oriented to exports. Many domestic textile companies are not ready for the opening of AFTA in 1993.

Iswar Deni, director of Pan Brothers Tex, said this after a general meeting of the company's stockholders on Friday [27 November]. According to Iswar Deni, AFTA is being opened too soon, especially for textiles, since textile companies have been more oriented to exports.

"Foreign companies will fill most of the gaps in the domestic textile market," he said. He explained that domestic products now meet only 50 to 60 percent of the market demand for high class textiles in Indonesia, whereas domestic products fill 80 percent of the demand for lower class textiles ("Tanah Abang class").

"On our own markets, only our products in lower classes are acceptable, because most of the better quality textiles are exported," he said. Besides, Indonesians prefer imports. It is not uncommon for domestic products to be sent to Singapore to get a Singapore brand name and then returned to Indonesia.

With that background, Iswar Deni worries that domestic textiles will be increasingly pushed aside on our own markets. "We must act quickly before the AFTA agreement goes into effect," he said.

Quotas

Herry K., president director of PT [Limited Company] Pan Brothers Tex, said he is optimistic that textile export targets will be met and that those products will continue to be "prima donna." As of July, textile exports had reached more than \$3 billion.

With regard to the "calls" that have hit Indonesian textiles, Herry K. said the government and the textile association is now lobbying with the U.S. and European governments. "The Indonesian Government is lobbying for products in category I (weaving yarn)," he said.

He added that Clinton's election as U.S. President is not expected to affect quota policies on Indonesian textiles. He is confident that our textile exports can continue to grow at about 6 percent.

PT Pan Brothers exports textiles to the United States (39 percent), Europe (39 percent), and Japan (15 percent). According to Herry, the 1992 sales target of 86 billion rupiah can be met. He said that as of September, textile sales had reached 64 billion rupiah.

Trade Minister Says EC Fears Increased Imports

93SE0076A Jakarta *SUARA KARYA* in Indonesian
1 Dec 92 p 11

[Text] Jakarta (*SUARA KARYA*)—The EC worries that increased Indonesian exports will put pressure on local EC products. The EC is trying to block Indonesian products in various ways, primarily through imposing quotas on such things as textiles and dried cassava and by linking imports to noneconomic issues.

Minister of Trade Arifin Siregar said this after being received by President Suharto at the president's residence on Cendana Street. The minister added that the Indonesian Government will keep up efforts to solve those quota problems. The path Indonesia is taking now is to bring the matter to the Textile Surveyor Board (TSB), a group set up under the Multi-Fiber Arrangement (MFA). The board can decide who is right when a dispute occurs between the EC and an exporting country.

According to Arifin Siregar, the EC was somewhat shaken by Indonesia's action in taking the textile export problem to the TSB. Frans Andrieson, EC vice president and commissioner, tried to persuade Arifin Siregar that Indonesia should not proceed with its intention to bring the textile issue to the TSB. Andrieson said that in 20 years no country has taken a dispute to the TSB, despite the occurrence of serious problems. "This is a blow to us," Andrieson said.

According to Arifin, the submission of the issue to the TSB is appropriate, because it is provided for under the MFA. Indonesia is seeking a resolution through the TSB because its varied efforts to expand textile exports to Europe have always been blocked. In the past, export quotas were applied to volumes of certain categories, but now the EC has expanded the categories that are subject to quotas. "Although Indonesian businesses have invested much money in diversification of textile products, the obstacles remain," Arifin said in his explanation to Andrieson.

Andrieson, who also was the EC spokesman in EC-ASEAN talks, hopes Indonesia will not take the textile issue to the TSB. Arifin responded with the condition that the EC relax its quotas in order to take increased Indonesian textile production into consideration. Arifin said this condition was accepted by Andrieson, for he instructed his staff to relax textile quotas for Indonesia.

In Arifin Siregar's estimation, Indonesian textile exports have not put much pressure on local EC textile products. It is for that reason that Indonesia intends to take to the TSB the issue of limitations on exports to the EC.

The EC has earnestly asked Indonesia's understanding of dried cassava (manioc) export limitations, because Indonesian cassava competes with European farm products. Nevertheless, Andrieson promised to relax a percentage of the cassava quota every year.

Arifin Siregar acknowledged that Indonesian exports of certain types of textiles exceed those of Hong Kong, Taiwan, and South Korea. As an example, he cited exports of jackets that fall under category 21, which from 1990 to 1991 rose by 119 percent. Cotton yarn exports increased by 239 percent during the same period. "Although these are big increases, they are still far from what we expect," Arifin Siregar said.

Noneconomic Issues

Generally speaking, Indonesia's trade with the EC is not threatened, for trade relations can continue despite snags

in state relations. Andrieson described the smooth flow of EC trade, despite the former enmity with the Soviet Union.

According to Arifin Siregar, Indonesia will face a problem in expanding economic cooperation, for the EC is beginning to link such cooperation with human rights and conservation of the environment. "Demands for such links are beginning to emerge in the EC," Arifin Siregar said.

Influential people in the EC recommend that Indonesia increase its lobbying with EC countries. Taiwan, South Korea, Malaysia, and Hong Kong conduct vigorous lobbying. Those countries have repeatedly sent ministers and high officials, even their prime ministers, to discuss increasing exports from their countries.

In the last cabinet meeting, President Suharto also stressed the importance of Indonesia's expanding its lobbying with countries, like the United States, that are targets of our exports. Such lobbying is necessary for improving Indonesia's image, particularly in the eyes of new officials, and for clarifying problems faced by Indonesia.

Arifin said Europe, which is moving toward a single market, also needs lobbying to facilitate the entrance of Indonesian products. The main purpose of such a lobby is to learn regulations, for regulations will be increasingly stringent under the single market. Furthermore, Indonesia's emerging ability to export high quality manufactured products makes lobbying necessary to facilitate the entrance of such goods into the EC. For example, the EC now has "sanitary" (cleanliness) requirements for items to be consumed by the public.

DPR Member Urges More Government Oversight
93SE0076C Jakarta ANGKATAN BERSENJATA
in Indonesian 2 Dec 92 pp 1, 11

[Text] Jakarta (ANGKATAN BERSENJATA)—Aberson Marle Sihalohe, deputy chairman of the DPR [Parliament] National Budget Commission, believes the government needs to supervise successful conglomerates carefully so that the economic strength they gain from the country's facilities is not shifted overseas.

"Careful supervision is needed, because it has become the talk of officials, politicians, and members of the public that conglomerates tend to invest overseas instead of at home, whereas their capital and assets were 'dug from Indonesian soil,'" Aberson said Tuesday [1 December] at the DPR/MPR [People's Consultative Council] Building in Jakarta.

His statement came in response to reports from Singapore that Indonesia's wealthiest businessman, Liem Sioe Liong (Sudono Salim), has agreed with prominent Singapore businesses and banks to build an industrial complex worth hundreds of millions of U.S. dollars in the PRC. Some Indonesian conglomerates have also invested their capital in a number of countries.

"The pluses and minuses of investments by WNI [Indonesian citizens] in the PRC and other countries must be looked at from the viewpoint of our national interests. If national interests are not hurt, okay. If, however, their investments hurt national interests, they must be held morally and politically accountable," he asserted.

Aberson also said that in this era of globalization, the investment sector no longer has national borders.

Nevertheless, Aberson said, the 1988 GBHN [Broad Outline of State Policy] mandates that national interests be maintained in international relations as we enter the globalization era.

He said the government needs to conduct careful supervision of certain industries that have been protected by the government, including the automotive industry.

"Businessmen in the automotive industry have realized great profits during about 20 years of protection, but not one domestic automotive product has emerged. They must be held accountable for this situation," he declared.

He also asked that conglomerates owning big companies comply with regulations.

He warned that big companies required by tax laws to submit financial statements related to taxes must be audited by public accountants.

"In my opinion, it is time for the government to maintain more open supervision of the business world, particularly where there is a connection with facilities that have been provided, in order that the people can have a part in overseeing business."

For this purpose and to avoid repetition of cases like that of the Summa Bank, there needs to be a system of supervision which enables the people to participate in overseeing big companies, Aberson Marle Sihalohe said.

Cooperation Needed To Produce Defense Equipment

93SE0067B Jakarta KOMPAS in Indonesian 2 Dec 92
p 8

[Text] Jakarta, KOMPAS—It is hoped that the government bodies concerned and the universities will be able to participate in providing funds and will be involved in the program to produce defense equipment and arms for Indonesia until the year 2005. The participation of government bodies and educational institutions is needed because meeting defense and security needs requires large amounts of money and trained personnel.

This was the view presented by Prof. Dr. B.J. Habibie, minister of state for research and technology, in his capacity as chairman of the BPIS [Strategic Industries Management], in his remarks on the readiness of the BPIS and BUMNIS [State Enterprise Board for Strategic Industry] to support the Ministry of Defense and Security and the Armed Forces of Indonesia. He gave this testimony before Committee I of Parliament at the Parliament/People's Consultative Assembly Building in Jakarta on 30 November. In the prepared text of his

remarks Habibie said that this program has been under way since 1980 with funds provided by BUMNIS. The program will be expanded later on. BUMNIS has already spent 1.1 trillion rupiahs on Project "On Top I," the program for the manufacture of equipment for the Ministry of Defense and Security. For "On Top II," the follow on project, BUMNIS will spend more than 1.28 trillion rupiahs.

Habibie stated that in terms of new funding for "On Top II," in accordance with the policy sketched out by the minister of finance during his visit to IPTN [Air Force Industry] Ltd. on 9 October, it is proposed to divide the funds available to strategic industry into research and development and operational (including investment and working capital) categories. In this way, he said, funds for the development of products as a whole will continue to be the responsibility of BUMNIS.

Meanwhile, funds for applied research and development will be provided by the government through the budget of the BPIS and other related offices, such as the Department of Defense and Security, the BPTT [Development and Application of Science and Technology], the LIPI [Indonesian Institute of Sciences], and research and development offices in other government departments. For basic research funds will be provided by the government through LIPI and university research institutions. Habibie said in his prepared text that this means that the program for mastering the science and technology involved will be funded by the government, while the commercial phase will be handled by BUMNIS.

"On Top" Programs

In meeting the needs of the Department of Defense and Security and the Indonesian Armed Forces under Strategic Plans III and IV BUMNIS is providing support by funding Projects "On Top I" and "On Top II." He said that Project "On Top I" has a total contract value of more than 1.1 trillion rupiahs. These funds have been provided to PAL [Navy Base Industry] Ltd., IPTN Ltd., and PINDAD [Basic Army Industry] Ltd.

In its contract valued at 655,475 million rupiahs PAL Ltd. received an order for the construction of patrol boats FPB 28 and 57. The order for helicopters (NBO 105 Standard, NBO 105 MPDS, and NBELL 412) and commuter aircraft (CASA 212 and CN 235) is being handled by PAL Ltd. with the 260,384 million rupiahs provided to it. PINDAD Ltd., the company manufacturing Army weapons, has been allocated 184,657 million rupiahs to handle orders for the FNC rifle, munitions (.38 caliber MKK-MPT and MKK-LAT), and GMD Tampella grenades. He said that almost all of these orders have been completed and turned over to the Department of Defense and Security.

In the follow on stage, during the implementation of Project "On Top II," a total of \$625 million or 1.28 trillion rupiahs will be needed, a 16 percent increase compared with the budget for Project "On Top I." Project "On Top II," which will be handled by PAL Ltd., IPTN Ltd., and PINDAD Ltd., is still in the contract

drafting stage. For future projects, he continued, the concept is being prepared for a national rocket program to master space technology. Under the BPIS, in addition to the three strategic industries referred to above, there are seven BUMNIS industries which also have roles in meeting the needs of the Department of Defense and Security and the Indonesian Armed Forces. In addition to constructing aircraft IPTN Ltd. also produces rockets and torpedoes, while PINDAD Ltd. also makes armored vehicles. The other BPIS industries include Dahana Ltd. (which, among other things, makes propellants for munitions and rockets), Boma Bisma Indra Ltd. (which, among other things, produces bridges and hangars), Barata Ltd. (produces heavy equipment), Inka Ltd. (produces trailers for transporting tanks and armored vehicles), Inti Ltd. (makes mobile telephones for military needs), LEN Ltd. (produces sensing and weapons guidance systems), and Krakatau Steel Ltd. (produces steel and other basic materials for BUMNIS).

Human Rights, Other Issues Affect EC Relations

93SE0067C Jakarta KOMPAS in Indonesian 1 Dec 92 pp 1, 11

[Text] Jakarta, KOMPAS—Many efforts are presently being made by groups in the EC to include non economic factors, such as the questions of preserving the environment and human rights, in connection with economic assistance and cooperation between Indonesia and the EC. At the present time these factors are beginning to have an influence on economic cooperation and economic assistance. However, regarding trade relationships these non economic factors have no impact at all.

This was stated by Frans Andrieson, vice president and a commissioner of the EC, to Indonesian Minister of Trade Arifin Siregar during their meeting in Europe recently. Andrieson's statement was included in the report made by the minister of trade to President Suharto at the Jalan Cendana offices in Jakarta on 30 November.

In his statement to reporters after meeting with President Suharto the minister of trade said that Indonesian relations with the EC have been very good during the past several years. Indonesian exports to the EC have increased sharply, particularly in certain areas such as textiles, shoes, electronic equipment, television sets, and other items. This has caused many European businessmen to feel threatened. For that reason it is believed that a number of steps have been taken by some governments in the EC to limit the increase in Indonesian exports to that area. For example, by applying textile quotas and antidumping legislation. And now consideration is being given to tightening the health and security standards which the EC applies.

Furthermore, Arifin Siregar said consideration also needs to be given to the fact that, a few months ago "approaches" were made to Indonesian textile exporters on three occasions. He continued that these

"approaches" signified the beginning of the process of applying quotas to certain categories of Indonesian exports.

The minister of trade said that this situation also seems to be closely related to discussions held by the EC with ASEAN foreign ministers in Manila recently. It appears that the EC wants to raise the question of human rights. It appears that this question has not yet been resolved by ASEAN foreign ministers and other officials.

He said that his visit to the EC was to learn whether there really are non economic factors which are influencing trade relations between the European Community and Indonesia. In addition he also sought to facilitate discussions being carried on by high Indonesian officials, such as K. Algamar, director general of foreign trade, who are holding conversations or negotiations involving textiles and manioc with the EC.

At his private meeting with Andrieson the minister of trade said that he asked that all questions be discussed frankly, including the accusation of "dumping." He said that the Indonesian manioc export quota since 1985 has never changed from about 825,000 tons. Each time that Indonesia has asked that it be increased, no attention has been paid to the request.

Andrieson said that it is true that at present many efforts are being made by groups in the EC to include non economic factors, such as the preservation of the environment and human rights. In considering both policy toward other countries in general and specifically toward Indonesia, these factors have begun to influence relations between Indonesia and the EC, going so far as to involve economic cooperation and economic assistance. Arifin Siregar said: "However, according to Andrieson, as far as trade questions are concerned, up to now non economic factors have played no role at all."

This is because Andrieson, as quoted by Arifin, said that even during the Cold War trade relations between the EC and enemy countries such as the Soviet Union continued. Apart from matters involving economic relations and investment, non economic factors are very important.

Arifin said that he has tried to prevent efforts from being made by certain countries to include non economic factors in trade relations. He said that the efforts made by these countries have not been successful. Andrieson was the commissioner in charge of discussions between the EC and the United States recently which led to an agreement, so that a trade war did not take place.

Textile Question

Regarding the textile and manioc questions, Andrieson asked for Indonesian understanding that economic conditions in European countries at present are not encouraging. This is reflected in the high rate of unemployment, depressed economic conditions, and high unemployment, particularly in certain sectors, such as textiles. As

a result, the "appeals" for action which were made some time ago were not based on non economic but exclusively on economic factors.

In answering Andrieson's comment, Arifin Siregar stated that previously the Indonesian Government had proposed to Indonesian textile executives to produce and export to non quota countries. In addition, as far as exports to Europe are concerned, Indonesia has been exporting categories of textiles which are not yet affected by quotas.

Arifin said that this has been done by Indonesian businessmen by increasing their productive capacity, as well as their investments. Indeed, exports have increased in the textile export category which is not yet affected by quotas. However, now the EC is applying a quota, and that is a heavy blow for businessmen who have invested a great deal of capital to increase their productive capacity.

Arifin said that in reply to this comment Andrieson said that the EC is still disappointed and feels that it is rather under pressure from Indonesia. For this reason, since the discussions on Category I exports have been unsuccessful on two occasions, Indonesia will raise this matter with the Textile Surveyor Board, a body established in the framework of the Multi-Fiber Arrangement. It is this body which decides which side is right if a dispute arises between the EC and a country exporting to it.

Andrieson said that during the past 20 years no country has brought the EC before the Textile Surveyor Board. Andrieson, as quoted by Arifin Siregar, said: "We consider that relations with Indonesia are so good, indeed are so close, that this is a real blow for us." However, according to Arifin Siregar, this is a normal situation. This is because Indonesia considers that not all of the criteria can be applied by the EC to set quotas for Category I textile exports.

The reason for this, he went on to say, is that under the criteria set out in the Multi-Fiber Agreement, quotas will be applied if: first, the exports from one country increase quickly, exceeding what is called the "trigale level" [sic; as stated in English in the text]. Secondly, if it can be proved by the EC that, as a result of this increase in exports, domestic producers are unfavorably affected. In the Indonesian view, as far as the second condition is concerned, the EC staff has not been able to prove that this has happened.

According to the minister of trade, if the EC wants to establish a quota, such a quota should also take into account the increase in productive capacity. Andrieson promised that instructions will be given to his staff to be more flexible in determining the quota. He only asked that this question should not be brought before the Textile Surveyor Board. Regarding manioc, Andrieson said that this question is closely connected to the question of the Common Agricultural Policy, which is closely related to the negotiations with the United States.

Largest Exporter to the EC

According to Arifin Siregar, in the discussions on textiles held by K. Algamar, it turned out that Andrieson's instructions to his staff have already been taken into consideration, so that the quota which has been obtained is more flexible, but it is not what was hoped for. Arifin said that in some categories Indonesia is now the largest exporter of Category I textiles and is far ahead of Hong Kong, Taiwan, and South Korea, which previously were the largest exporters.

In 1991 Indonesian exports of Category I textiles increased by 239 percent, compared with 1990. Indonesian exports of Category 21 textiles increased by 119 percent. Category I includes cotton clothing, and Category 21 includes jackets. According to Arifin Siregar, on the basis of these facts Andrieson thought it was necessary for Indonesia to increase its lobbying efforts. He considered that Thailand, Taiwan, and Malaysia appeared to be more effective than Indonesia in lobbying.

According to the minister of trade, President Suharto emphasized at his last cabinet meeting the need to increase the lobbying effort, including with the U. S., because of political changes there. According to Arifin, this lobbying effort is also very important, because a single market now will apply many regulations. In this connection Indonesia can also arrange for the participation of local consultants, who have good relationships with officials newly in office in the U. S. and the EC. He said: "Lobbying Democratic Party figures is very important." The minister of trade also raised with President Suharto the matter of the need for a budget to support lobbying efforts. Regarding this matter, the president said that this can be considered, but we should look at the source of funds for lobbying purposes.

People's Republic of China and the Netherlands

In his discussions with Andrieson the minister of trade also mentioned plans for the visits of economic missions from the People's Republic of China [PRC] and the Netherlands to Indonesia. The visits of the two, separate missions will be occasions for considering trade, investment, agriculture, industrial, and other questions.

The visit of the PRC mission is considered important because concern has recently begun to grow among Indonesian businessmen regarding the possibility of a flood of PRC goods in Indonesia. Arifin Siregar said that since the normalization of relations between the two countries, it appears that the PRC is sending a large number of trade missions and also trade exhibitions to Indonesia. Just a few days ago an exhibition was held, at which they concluded contracts for about \$100 million.

Arifin Siregar said that a PRC exhibition has even gone to Surabaya and other cities outside of Jakarta. However, the minister of trade emphasized that the PRC trade exhibitions have gone off well and have been properly conducted. However, the minister said that when PRC missions come in the near future, his ministry

will ask that PRC businessmen not sell their goods to Indonesia in improper ways. He said: "And also, conversely, we are advising our businessmen to be more active in seeking markets in the PRC by carefully studying whatever possibilities there are."

Arifin said that with regard to the Dutch economic mission, the Indonesian side wants to listen to what the Dutch side has to say, particularly since the March 1992

incident. Previously, the Netherlands was afraid that since this incident occurred, economic relations between Indonesia and the Netherlands would not develop as quickly as was the case previously. Now the Netherlands is regarded as one of the best friends of Indonesian business in Europe. As an investor in Indonesia, the Netherlands is more important than Germany, the United Kingdom, and other countries.

MADC Infrastructure, Operations, Foreign Ties
93SE0040A Vientiane PASASON in Lao 2-10 Sep 92

[Article by Viangvang: "Visiting Kilometer Marker 20"]

[2 Sep 92 p 3]

[Excerpt] Section One: What Attracted Me

About seven years ago under the policy of "building strategic areas in the rear," a corporation was set up by decree No. 188/PSL of the Council of Ministers issued on 29 August 1984. Actual operations began on 20 January 1985. This is a famous corporation in our country - it is known as "the Mountain Area Development Corporation" [MADC].

The MADC which we knew in the beginning opened a small shop in Vientiane which was involved in importing and exporting. Then this corporation expanded to many locations both domestic and foreign. People learned that the corporation was actually located at kilometer marker 20 in Khamkeut District of Bolikhamxai Province. But not many knew why MADC was set up, how it operated in the past, what its difficulties were and what went well for it, and what it accomplished for the country. In the view of other countries there have been many pluses and minuses. My search for answers to these questions may have been one reason that I, on the invitation from MADC, climbed in a helicopter along with the representatives of various departments to take part in a meeting to draw lessons on the seventh anniversary of this corporation. [passage omitted]

[3 Sep 92 p 3]

[Excerpt] Section Two: Reaching Kilometer Marker 20

[Passage omitted] To continue, kilometer marker 20 was located on a plateau with many cliffs. It was surrounded by forest. When the helicopter landed, we learned that the runway was not completed. There were piles of rock and sand everywhere. I learned from documents later that in order to carry out political duties assigned by the party and state, the corporation had invested to build an airfield which when finished was to be able to allow every type of aircraft owned by Lao Airlines to land. According to plans, it is to be basically finished before 1995. This project is to cost a total of \$1,500,039.80, which is equivalent to 772,548,308 kip. At present 408,691,140 kip has been spent on construction, and 363,857,168 kip remains to be spent. The weather at kilometer marker 20 was overcast that day but it seemed warmer when the person who came to greet me and shake my hand turned out to be the director of the corporation, Mr. Cheng Sai-gnavong.

[5 Sep 92 p 3]

[Excerpts] Section Four: The Appearance of Kilometer Marker 20

[Passage omitted] The town had everything. For example there were machine shops, factories, schools, hospitals,

hotels, hostels, shops and restaurants built to standards. The first thing we did was to go to the market. The market at kilometer marker 20 was still being improved and constructed, but it still had every kind of consumer good plus industrial goods, handicrafts, and agricultural goods. What was unusual was that these goods were very inexpensive when compared with the markets in Vientiane, especially the forest products produced by the people and the consumer goods from Vietnam, China, and Thailand. These goods took various routes. As for the goods of the people, each morning from 0700 to 0800 hours vehicles carried goods in from three directions. They came from Ban Thongpe Village and Ban Nape Village in the direction of the border with Vietnam, from Khamkeut District in the North, and from Ban Nam Kata Village in the South. Some of the industrial goods came from Vientiane, Paksan in Bolikhamxai Province and Thakhek in Khammouan Province. The Vietnamese and Chinese goods came from markets along the Lao-Vietnamese border from the 13th to the 18th of every month. Unfortunately I could not go to see these markets because I was there when they were closed. [passage omitted]

Then there was the story about the Pha fish. We reporters were wide-eyed when one reporter said that someone had told him that a Pha fish weighing 120 kg had been taken from lady merchants by border officials. No one in our group had ever seen a Pha fish weighing 120 kg. We got in a vehicle to go ask about it at the customs office and learned that there actually had been Pha fish weighing 125 kg which customs officials at the border had seized from lady merchants taking them to sell in Vietnam. But it had not been one fish - it had been many fish weighed together.

Our readers might be interested to know why lady merchants were taking Pha fish for sale in Vietnam. I found out that this was not official trade - they were sold to the military! Those who knew about it told my group that the lady merchants at kilometer marker 20 took the Pha fish for sale to the Vietnamese because they received a good price - at least twice as much as at kilometer marker 20. Were they eaten in Vietnam? No. Some were made into medicine, and some were probably sold in China for a good profit.

[7 Sep 92 p 3]

[Excerpt] Section Five: On the Road From Kilometer Marker 20 to the Vietnamese Border

[Passage omitted] We went by car to the Vietnamese border on two paved roads built according to standards. Although the road passed through mountains and forests, across streams and meadows, it did not take us long to get there. We saw groups of Vietnamese workers building the hydroelectric station on the Phao River. When we asked about it, we learned that the hydroelectric station on the Phao River which was under construction would be able to generate about 1.6 megawatts. It was being built with MADC funds amounting to almost \$5 million of which \$1.8 million had been spent. This

was equivalent to 1 billion 260 million kip. The funds had been used to buy technical equipment from China and to hire Vietnamese construction workers. The construction plan was to build a dam on the Phao River close to the Vietnamese border, to excavate an area in the mountains for a reservoir and to build a penstock dozens of meters long to the turbines turning the generators. This construction was expected to be finished in the middle of 1993. When completed, it would be a power source allowing the town at kilometer marker 20 and the area surrounding it to have industry and handicrafts as well as saw mills, veneer mills, ice factories, textile factories and other processing factories. All this would require setting a great many poles and stringing wire - at least 500 poles would be needed to reach kilometer marker 20. It was not known whether the people throughout kilometer marker 20 and the surrounding area would all be able to use the electricity in 1994 or 1995 or not.

With regard to electricity I would like to explain that kilometer marker 20 was supplied by two generators. I did not ask how much they supplied, but I noticed that they had electricity at night only from 1800 until 2130. During the day if nothing required electricity, they did not have it. The exception was the four to five days of this meeting when they had electricity all the time.

On our return from the Vietnamese border we stopped at Ban Thongpe Village. This was a new village of approximately 58 Hmong families who had come down to engage in wetfield rice cultivation. They achieved better results than the lowland Lao of some locations who had engaged in this cultivation for so long. Why was this? It was because MADC had worked with the Ministry of Agriculture and had invested in clearing wetfield rice land, digging irrigation channels, and training many of the people. But when one examined it, it was worth the investment because the corporation was able to redirect 58 families from shifting cultivation and forest destruction to fixed wetfield cultivation. Each such family would have cleared from 0.5 to 1 hectare per year and destroyed at least 50 cubic meters of wood. They would have harvested only 56 tons of rice worth only 61,600 kip. The wood lost through this clearing would have been worth about \$279,991 or 200 million kip. And this would not include the damage caused by forest fires and damage to the environment. Which should we take - the 61,600 kip or the 200 million kip?

Just across the rice fields from Ban Thongpe Village was Ban Nape Village. It was a Thai Mia village which had maintained its ethnic independence better than others. They made ling lai skirts and rice wine. The women of the village were very pretty. Their faces and complexions were beautiful. Their friendship toward visitors was also beautiful. And they wove beautiful cloth. Even when they were young they knew how to weave.

[8 Sep 92]

[Excerpts] Section Six: What Does the Development of Kilometer Marker 20 Mean?

After people enjoyed the weather and painted pictures of mountains and forests for two to three days, the second MADC meeting for deriving lessons opened officially on ... after having been in business for seven years. [passage omitted]

The meeting that day was actually more of an internal meeting, but every ministry and provincial area took part. There were at least 300 representatives.

The MADC Congress as well as other meetings were held in the meeting hall, which was decorated with various slogans. There was a table for the executive committee and a podium for giving reports and presenting views. This meeting seemed open and democratic to reporters because every speech and the views of the dozens of people who participated during those four to five days was broadcast live by the FM radio of kilometer marker 20 with nothing cut.

The first person to disclose the secrets of the corporation, which were contained in a report about the corporation's operations, was Mr. Cheng Sai-gnavong, the director of the corporation. He reported that: "In the initial period (1985-87) when the corporation had just been set up, our forces were in disorder and we had to find funds to conduct our business because the party and state had given us a tract of forest with which to generate the funds for our business and our circulating capital. The corporation had no technical materials and so had to rely on itself. In addition the area of the corporation's operations was in the mountains in an area of ethnic minorities and was inaccessible. It was an area of mountains and forests with many unpopulated areas. There were streams, but route 8, which had been passable during the war, had become broken up and overgrown almost like the forest by the end of the war. And it had been completely eroded. Therefore in order to open this route to the sea, it was necessary to rebuild everything and not just in Laos - in Vietnam the road was also difficult. So the corporation not only had to repair the road in Laos but also invested in the Vietnamese section (especially route 8 and route 12). This cost almost \$800,000 or 560 million kip.

During the second period (1987-92) some of the problems were taken care of but there were still many problems which remained: During this period we had to pay for the construction projects and the technical infrastructure such as bridges, irrigation, hospitals, schools and other projects of public interest because they had been completed. And while the income of the corporation remained the same, the need for funds increased because now that towns had been built and an economy had been created, the demand for services increased steadily.

The second problem was that the corporation had expanded from just two timber business units to 33 units with personnel in each branch who required supervision. Cadres were needed who were qualified to provide the supervision. In any case the corporation had many advantages. An important one was that it had been

established by a decree of the Council of Ministers. The party and state had given it a tract of land for its operations which was abundant with natural resources. There was a route to the sea. There were cadres and state employees who knew the business, and the corporation was helped by every ministry and all the surrounding provinces including those in Vietnam such as Nghe Tinh - Ha Tinh and Nge An. This allowed its operations to be successful.

The results of its operations in agriculture, forestry and construction were as follows:

It built irrigation and cleared agricultural land for the people so that people who had engaged in shifting cultivation and forest destruction could be switched to fixed agriculture. It also had the people cultivate commercial crops and timber which could be exported in the future. For example coffee had been planted on 500 hectares, para rubber had been planted on 176,679 hectares and khehom had been planted on 16,600 hectares. They were preparing to experiment with 300 cotton seedlings and were also preparing to plant a number of fruit trees. They had cleared 708,351.67 hectares of wet-field rice land for the people and had built irrigation systems to irrigate 250 hectares of land. The clearing of the land cost 70,835,167 kip and the construction of the irrigation cost 561,369,870 kip of which the irrigation from the Thi River cost 402,966,642 kip, the irrigation from the Ngok River cost 82,876,075 kip and the irrigation from the Phouamthi River cost 48,478,781 kip. In addition they constructed irrigation from the Reu River (Thongpe) which cost 8,375,908 kip and also supplied some labor and materials for the irrigation from the Khiao River (Khamkeut). The irrigation from the Reuang River cost 670,320 kip, the irrigation from the Koua River in Thabeng Canton cost 315,750 kip and the irrigation from the Thon River cost 678,400 kip.

[9 Sep 92]

[Excerpts] Section Seven: the Initial Investment

The MADC was located in secluded mountains and forests. Where did it get the funds to develop society and build a production base. Many people including this reporter sought the answer to this question because we had seen many corporations which had a hard time finding funds and many corporations which had failed.

But when we saw kilometer marker 20, it was easy to understand: this was an area of mountains and forests which we were apt to describe as villagers who would say that it was a place where there were no spirits or people. The location could provide the funds for the corporation because this was an area of valuable forests which were almost untouched. Corporation cadres told us that when kilometer marker 20 was built, one had to watch out for tigers in any direction that one went. Now although some areas had been developed, there were still forests with elephants and tigers as in the past. Mr. Cheng Saignavong, the director of the corporation, reported that:

At present the corporation was conducting forestry operations in five areas as follows:

Area one was a reserve in the area of the Niam River. It consisted of about 10,000 hectares.

Area two was an area of commercial timber operations near the Sot River and Khokkatiam. It consisted of about 10,937 hectares.

Area three was an area of commercial timber operations at Ban Nagai Village. It consisted of 30,000 hectares.

Area four was a national reserve next to the border and east of the old Nakai settlement. And area five was a forest reserve in the area of Khamkoet District (between Khamkoet and Phathong). It consisted of 39,375 hectares. In addition there were areas being reforested and groves of trees in the area along highway 8 from Ak Mountain to the Theun River and all the area from Ak Mountain to the old Nakai settlement. [passage omitted]

When one was involved in forestry, one made a living by forestry, but one also had a duty to protect and maintain the forest and replant trees. There were many strong points, but one could not deny the weak points. One weak point was that some people were just working for themselves - a particular problem were those who were accomplices of people who were taking advantage. They provided bad people an opportunity to engage in illegal business. Some officials engaged in business for themselves without supervision which was like playing soccer without committee members overseeing it. Since the committee members who should have prevented it were all involved, there was no one to prevent it, and there was confusion. The corporation's income from timber, wood products and forest products (1985 to September 1992) was \$35,691,000. This was equivalent to 25 billion 519 million kip in Lao currency or 79 percent of the corporation's total income.

[10 Sep 92]

[Excerpts] Section Eight: the Road to the Kata River.

[Passage omitted] The investment in irrigation from the Thi River amounted to 420,966,642 kip. The production of the people was still far from paying for this investment, but long-term it would more than pay for the investment because the plains were broad there. They still needed the work of hundreds or thousands of families for clearing and the climate and then they would be suitable for rice or other crops and would be lovely.

Not many kilometer markers after the irrigation on the Thi River there was the Kata River and Ban Nam Kata Village, which was mostly inhabited by Hmong. Its 150 families had decided to give up dry-field farming and engage in wet-field rice cultivation at Ban Nam Kata Village, which was 15 kilometers south of the town at kilometer marker 20. It was located at the bridge on the Kata River and was at the end of the road which vehicles could travel year round. There were 9 km of the road which were paved, and they rest was packed earth.

Therefore one or two buses went from the village to kilometer marker 20 every day.

This road continued much further but had not been sufficiently cleared. In another two to three years this road will be constructed according to standards. [passage omitted]

In the past the people of Ban Kata Village had been engaged in forest destruction but now they had stopped. In the past they had not known about trade, but now they knew about trade and the production of goods for trade. The goods seen in this village included industrial goods from Thailand, China, and Vietnam as well as agricultural goods which they had produced. These were not only sold in their village but were also taken to sell at kilometer marker 20 every day.

If one observed the Kata River during the rainy season, its banks almost overflowed. Both its banks were verdant with crops of various kinds. The people in this area had smiles on their faces. [passage omitted]

Luang Namtha, Sekong Assembly Candidates Profiled

Central Committee Member

93SE0070A Vientiane PASASON in Lao 19 Nov 92 p 2

[Text] Election Area 3, Luang Namtha Province

Mr. Khampan Philavong, Number 1: Date of birth: 10 September 1940; Place of birth: Ban Viang, Heuang Neua Canton, Kham District, Xieng Khouang Province; Ethnic group: Lao (Phouan); Position: Central Committee Member; Area of responsibility: head of the committee responsible for preparations for the Congress of the Lao Federation of Trade Unions; Education level: higher education; Professional level: high (public security); Date of joining the revolution: 10 May 1961; Date of joining party: 12 October 1970.

Personal biography:

1961-1963: District-level guerrilla and LPRYU member at the base and district level;

1964-1968: Secondary school teacher;

1969-1973: District party committee member, head of the district education service;

1974-1975: Worked in Vientiane, member of the sub-committee for moving and investigating refugees;

1976-1980: District party secretary, chairman of the Kham District administrative committee

1981-1984: Provincial party member, deputy police commander for Xieng Khouang Province

1985-1986: Deputy head of the office of the Ministry of Interior

1987-1991: Central Committee member, secretary of the provincial party, chairman of the Xieng Khouang Province administrative committee;

1992: Central Committee Member, head of the committee responsible for preparing for the Congress of the Lao Federation of Trade Unions.

Nominated by: The central organization of the Lao Federation of Trade Unions

Provincial Administrative Committee Member

93SE0070B Vientiane PASASON in Lao 19 Nov 92 p 2

[Text] Election Area 3, Luang Namtha Province

Mr. Khamkeo Singmisai, Number 2: Date of birth: 1 January 1944; Place of birth: Ban Siangchai Village, Viang Canton, Sing District, Luang Namtha Province; Ethnic group: Leu; Position: Member of the Standing Committee of the provincial party; Area of responsibility: Party secretary and district head of Sing District; Education level: Secondary; Level of political philosophy: High for the support system; Date of joining revolution: 20 August 1963; Date of joining revolution: 21 May 1969.

Personal biography:

1963-1965: Sing District cadre for typing and supervising;

1966-1969: Squad leader in Sing District military;

1970-1972: Deputy platoon leader in Sing District military;

1973-1974: Platoon leader in Sing District military;

1975-1976: Chief of Sing District military headquarters;

1976-1980: Member of Sing District party committee;

1981: Promoted to first lieutenant;

1982: Member of second Sing District party committee;

1984-1985: Member of the Standing Committee of the provincial party;

1985-1992: Member of the second-third Standing Committee of the provincial party, district party secretary, and district chief of Sing District.

Nominated by: The party administrative committee for Luang Namtha Province.

Provincial Committee Member

93SE0070C Vientiane PASASON in Lao 19 Nov 92 p 2

[Text] Election Area 3, Luang Namtha Province

Mr. Inpeng Inthongsai, Number 3: Date of birth: 2 April 1948; Place of birth: Ban Khon Village, Louangkhou Canton, Luang Namtha District, Luang Namtha Province; Ethnic group: Gnouan; Position: Provincial party member; Area of responsibility: Chairman of the Lao Front for National Construction in Luang Namtha Province; Education level: Secondary; Professional level: Mid-level postal official; Level of political philosophy: high; Date of joining revolution: 8 January 1965; Date of joining party: 2 August 1981.

Personal biography:

1965-1966: Clerk in the administrative office of Luang Namtha Province;

1966-1968: Student at the communications school of central authority in Sam Neua;

1969-1970: Head of the Houa Phan Province communications office;

1971-1975: Member of the committee for the communications service of Son District, Houa Phan Province;

1975-1976: Military telegraph official for central authority communications;

1976-1979: Assigned to the communications service of Luang Namtha Province;

1979-1980: Head of the communications service of Houai Sai District, Bo Keo Province;

1981-1983: Member of the committee for the communications service of Luang Namtha Province;

1984-1985: Member of the committee for the communications, transportation and post service of Luang Namtha Province;

1986-1990: Provincial party member, head of Luang Namtha service for communications, transportation, post, and construction;

1990-1992: Provincial party member, head of the foreign relations service for the province, and head of the Lao Front for National Construction for the province, member of the second Supreme People's Assembly.

Nominated by: The Lao Front for National Construction of Luang Namtha Province.

PSS Chief

93SE0070D *Vientiane PASASON in Lao 19 Nov 92 p 2*

[Text] **Election Area 3, Luang Namtha Province**

Lieutenant Colonel Bounthong Thoulakham, Number 4: Date of birth: 5 May 1937; Place of birth: Ban Namtoui Village, Keo Canton, Beng District, Oudomsai Province; Ethnic group: Kha Mou; Position: lieutenant colonel; Area of responsibility: chief of PSS headquarters in Luang Namtha Province; Education level: Secondary; Professional level: Mid-level military; Level of political philosophy: High; Date of joining revolution: 5 May 1959; Date of joining party: 2 September 1973.

Personal biography:

1961-1963: Deputy company commander, later became company commander in the 408th Battalion, stationed in Oudomsai Province;

1964-1966: Studied at kommadam school, studied theory and worked on mobilization at Sam Neua;

1967-1969: Responsible for the leadership of the second company, 705th battalion and continued to study at the Kommadam school at the middle level in Sam Neua;

1970-1971: Deputy commander of the 28th company, an independent company in Luang Namtha Province;

1972-1978: Company commander, battalion chief of staff, member of the battalion committee, responsible for political activities in the 405th battalion;

1979-1981: Responsible for the Houai Sai front and head of the political office of the Luang Namtha military, promoted to major in 1981;

1982-1984: Raised his educational level at Khong District in Champasak Province and at the military school in Vientiane;

1985: Member of the provincial party committee, head of the provincial police headquarters

1986-1992: Member of the standing committee of the provincial party, chief of the provincial PSS headquarters.

Nominated by: PSS headquarters of Luang Namtha Province.

Central Committee Member

93SE0070E *Vientiane PASASON in Lao 1 Nov 92 p 2*

[Text] **Election Area 16, Sekong Province**

Mr. Khambou Sounisai, Number 1: Date of birth: 3 August 1932; Place of birth: Ban Pakthon Village, Lanam Canton, Lanam District, Sekong Province; Ethnic group: Alak; Position: Central Committee member; Area of responsibility: Minister of Public Health; Education level: Secondary; Professional level: high in organization; Level of political philosophy: high; Date of joining revolution: 3 March 1949; Date of joining party: 28 August 1956.

Personal biography:

1940-1949: In Ban Pakthon Village with his parents;

1949-1952: Leader of a permanent unit in Ban Pakthon Village and Ban Mo Village, commander of the guerrilla militia for all of Lanam Canton, responsible for 10 villages;

1953-1954: Head of the office for Viang Thong District (now divided into two districts: Lanam District and Thateng District);

1955-1957: Chairman of Viang Thong District;

1958-1960: Head of the office for the South of Laos;

1961-1962: Member of the Saravane Province party, responsible for organization;

1963-1975: Deputy head of the organization committee of the Central Committee

1976-1979: Deputy head of the state planning committee

1980-1982: Chairman of the labor committee of the government

1983-1984: Head of the committee for mobilizing and building the grassroots in the Vientiane Municipality;

1985-1987: Deputy Party Secretary and chairman of the administrative committee of the Vientiane Municipality;

1988-1989: Chairman of the national committee for social welfare and veterans affairs;

1990-1992: Minister of Public Health.

Nominated by: Ministry of Public Health.

Provincial Administrative Committee Member

93SE0070F Vientiane PASASON in Lao 19 Nov 92 p 2

[Text] Election Area 16, Sekong Province

Mr. Khamphong Phonchaleun, Number 2: Date of birth: 1951; Place of birth: Ban Pakthon Village, Se Canton, Lanam District, Sekong Province; Ethnic group: Lao Theung (Alak); Position: regular member of the provincial party; Area of responsibility: head of the Sekong Province service for communications, transport, posts, and construction; Education level: higher education; Professional level: mid-level teacher; Level of political philosophy: high (support); Date of joining revolution: 24 January 1967; Date of joining party: 25 November 1978.

Personal biography:

1967: Studied education in Tawanok Province;

1967-1972: Teaching cadre in Viang Thong District;

1972-1973: Studied primary-level education in Houa Phan Province;

1973-1975: Taught at Ving Phou in the SRV;

1975-1978: Studied to be a mid-level teacher at the No.3 teachers' school in Xieng Khouang Province;

1978-1984: Deputy head of the Lanam District office for the party and administration;

1984-1985: District party committee member, studied Marxist-Leninist theory at Nongbon (Vientiane);

1986 to present: Has been a regular provincial party member and deputy province head of Sekong Province.

Nominated by: Provincial party administrative committee.

Provincial Women's Union Member

93SE0070G Vientiane PASASON in Lao 19 Nov 92 p 2

[Text] Election Area 16, Sekong Province

Mrs. Bounpheng Boualapha, Number 3: Date of birth: 12 May 1951; Place of birth: Ban Dakdin Village, Lianglouang Canton, Dakcheung District, Sekong Province; Ethnic group: Lao Theung (Taliang); Position: service head; Area of responsibility: chairman of Sekong Province Women's Union; Education level: University; Professional level: upper-level teacher; Level of political philosophy: mid-level for the support system; Date of joining revolution: 1 February 1960; Date of joining party: 1 September 1989.

Personal biography:

1961-1964: Student;

1964-1966: Arts cadre for Tawanok Province;

1967-1973: Studied in the SRV;

1974-1978: Studied upper-level teaching in the SRV;

1979-1984: Taught at the Oudommisai School in Saravane Province;

1984-1989: Member of the education committee of Sekong Province;

1989-1992: Chairman of the Sekong Province women's union.

Nominated by: Sekong Province women's union.

Provincial Youth Union Member

93SE0070H Vientiane PASASON in Lao 19 Nov 92 p 2

[Text] Election District 16, Sekong Province

Mr. Khamko Douan-alai, Number 4: Date of birth: 2 March 1946; Place of birth: Ban Aring Village, Aring Canton, Kaleum District, Sekong Province; Ethnic group: Lao Theung (Katou); Position and area of responsibility: deputy head of the Sekong Province LPRYU [Lao People's Republic Youth Union] service; Education level: secondary; Professional level: mid-level (working with the LPRYU); Level of political philosophy: high for the support system; Date of joining revolution: 3 January 1961; Date of joining party: 16 April 1970.

Personal biography:

1961-1967: Policeman in Kaleum District;

1968-1971: Postal cadre in Tawanok Province;

1972-1975: Deputy secretary for the Tawanok Province LPRYU;

1976-1984: Secretary for the Saravane Province LPRYU, member of the standing committee of the party organization for the municipal area of Saravane Province;

1985-1992: Deputy secretary for the Sekong Province LPRYU.

Nominated by: Provincial LPRYU administrative committee.

Oudomsai Assembly Candidates' Careers Profiled

Central Committee Member

93SE0068A Vientiane PASASON in Lao 18 Nov 92 p 2

[Text] Election Area 4, Oudomsai Province

Mr. Chaleun Gniapaoheu, Number 1: Date of birth: 15 September 1951; Place of birth: Ban Nongkham Village, Phoukang Canton, Siangkho District, Houa Phan Province; Ethnic group: Hmong; Position: Central Committee member; Area of responsibility: Standing Committee of the second Supreme People's Assembly; Education level: University; Professional level: primary

teacher; Level of political philosophy: high; Date of joining the revolution: 2 February 1968; Date of joining party: 30 July 1971.

Personal biography:

1960-1968: Village primary school student;

1968-1971: Teacher at a school for multiethnic youth in Houa Phan Province;

1972-1974: Studied Marxist-Leninist theory in the SRV;

1975-1980: Teacher of theory at the upper-level school of the party and state; Deputy head and then head of the training department of the committee for propaganda and training of central authority;

1981-1983: Deputy chairman of the administrative committee of the upper-level school of the party and state;

1983-1986: Secretary-general of the central organization of the LPRYU [Lao People's Republic Youth Union]. At the fourth party congress he was elected alternate member of the Central Committee;

1987-1989: Vice-chairman of the Lao Front for National Construction; Member of the Standing Committee of the second national election committee;

1990-1992: Member of the Standing Committee of the second Supreme People's Assembly; Chairman of the Lao Committee for the International Congress; Chairman of the commission for law and the constitution of the second Supreme People's Assembly; Regular member of the third national election committee; Regular member of the committee to draft a constitution; Nominated by Supreme People's Assembly.

Provincial Committee Member

93SE0068B Vientiane PASASON in Lao 18 Nov 92 p 2

[Text] Election Area 4, Oudomsai Province

Mr. Chansouk Bounpachit, Number 2: Date of birth: 2 May 1947; Place of birth: Ban Mookachok Village, Phouviangsai Canton, Houn District, Oudomsai Province; Ethnic group: Kha Mou; Position: Provincial party committee member; Area of responsibility: Head of the provincial inspection committee of the party and state; Education level: Secondary school; Level of political philosophy: High level in the support system; Date of joining revolution: 27 February 1963; Date of joining party: 31 October 1966.

Personal Biography

1963-1964: Paktha District communications cadre;

1965-1967: Paktha District supervisory cadre;

1968-1970: Head of the Paktha District administrative office;

1971-1978: Deputy head of the Oudomsai Province administrative office;

1979-1981: Head of the Oudomsai Province administrative office;

1982-1985: Member of the provincial party and party secretary of Pha Oudom District;

1986-1992: Member of the provincial party, head of the provincial service for propaganda and training, the Fourth Provincial Party Congress elected him to be a regular member of the provincial party and to be head of the Oudomsai Province inspection committee for the party and state.

Nominated by: the Oudomsai Province party administrative committee

Deputy PSS Chief Inta Louangphachit

93SE0068C Vientiane PASASON in Lao 18 Nov 92 p 2

[Text] Election Area 4, Oudomsai Province

Lieutenant Colonel Inta Louangphachit, Number 5: Date of birth: 5 March 1940; Place of birth: Ban Bo Village, Ban Bo Canton, Sai District, Oudomsai Province; Ethnic Group: Leu; Position: Deputy commander of the provincial PSS; Area of responsibility: Organizing and building cadres; Education level: University; Professional level: Mid-level leadership in PSS; Level of political philosophy: Primary level in the support system; Date of joining revolution: 27 August 1963; Date of joining party: 23 October 1972.

Personal Biography:

1963-1965: LPRYU cadre in Sai District;

1965-1977: Member of Sai District administrative committee; Responsible for the administrative office and the leadership of Sai District police;

1977-1978: Studied police leadership in Ha Bak Province of SRV;

1978-1979: Chief of PSS headquarters in Sai District;

1979-1991: Member of the provincial PSS headquarters committee; During this time he was promoted to captain; later he was promoted to major;

1991-1992: Promoted to lieutenant colonel, deputy commander of the provincial PSS in charge of organization;

Nominated by: Oudomsai Province PSS Headquarters

ECONOMIC

Proton To Start Plant in Chile

93SE0077A Kuala Lumpur BERITA HARIAN
in Malay 14 Nov 92 p 1

[Article by Kamal Ahmad: "Proton Ready To Build Plant in Chile"]

[Text] Subang, 13 November—The National Automobile Company (Proton), which has successfully developed a market in several European countries, is studying the possibility of opening a factory to assemble "Proton Saga" automobiles, the first model to be marketed in the countries of Latin America.

Prime Minister Dr Mahathir Mohamad said that the factory may be opened in Chile, which will become a marketing center for countries which buy the vehicles.

The prime minister said: "Malaysia is planning to build a factory to assemble the 'Proton Saga' in Chile, to be marketed in that country and in Latin American countries which have duty free tariff agreements with Chile."

According to the prime minister, the factory will be built on a joint venture basis, emphasizing the use of Chilean components.

He said: "We may consider the technique of a joint venture in Chile, at least to assemble the 'Proton Saga' or to use components from that country to build the same vehicle."

Doctor Mahathir said this on 14 November to reporters at Kuala Lumpur International Airport after bidding farewell to Patricio Aylwin Azocar, the president of Chile, and his entourage, who were leaving Malaysia on their way home.

President Aylwin and a Chilean trade delegation made a four day visit to Malaysia, beginning on 10 November.

In any case the prime minister said that, for the time being, the "Proton Saga" factory will produce automobiles which meet Chilean needs, such as having the steering wheel on the left hand side of the vehicle.

He said: "We also must consider the tariff system in Chile, so that the 'Proton Saga' can be imported into that country at a fair price."

He stated: "In addition, to export 'Proton Saga' vehicles from Chile to several countries which have duty free tariff agreements with Chile, we may consider ways of undertaking a joint venture with Chile, at least assembling the 'Proton Saga' or even using components from that country."

On 12 November President Aylwin said that Chile intends to undertake a joint venture with Proton in the field of automobile production.

He said that cooperation in this technical field will include the profitable production of spare parts, in view of high demand for such equipment in Latin America.

In that connection he praised the technical ability of Malaysia to spread to Latin America, which has a market of more than 300 million people.

MILITARY

Opinion Leaders React to UN Sanction on KR

Threat Seen to Thai Sovereignty

93SE0080A Bangkok DAO SIAM in Thai 13 Nov 92
p 3

[Editorial: "The Cambodia Problem and Thailand: Foreign Interference"]

[Excerpt] [passage omitted] As for UN forces suppressing the Khmer Rouge [KR], that is between the United Nations and Cambodia. But in terms of politics, foreign affairs, and what is actually possible, the United Nations is formulating a plan to base forces in Thailand and use Thai territory as a base from which to send forces into Cambodia to suppress the Khmer Rouge. This is the problem, because the United Nations' plan will turn Thailand, which is adjacent to Khmer Rouge base areas, into a killing ground.

This will definitely become a problem, and this will have many other effects as well. Thus, our Ministry of Foreign Affairs must implement a well-planned strategy. And recently, the foreign ministers of Indonesia and Australia issued statements saying that Thailand is profiting from the Khmer Rouge. They are looking for a reason to impose sanctions on Thailand. Unless Thais take an interest in this and learn the truth about what is happening, major problems will arise.

Thus, the government must hold urgent deliberations on this and view this as an important national issue. Every administration tends to view the major problems as minor issues and the minor issues as major problems. Thus, we hope that the cabinet will quickly review things and make preparations to respond to those countries that are spreading propaganda and tarnishing Thailand's image. The government should not allow foreign troops in the guise of UN forces to set up operations bases in Thailand, because that will turn a minor issue into a major problem.

Commentary on KR 'Neighbors'

93SE0080B Bangkok DAILY NEWS in Thai 13 Nov 92
p 2

[Article by Phirun Suwan]

[Excerpt] [passage omitted] The stubbornness of the Khmer Rouge [KR], who refuse to act in accord with the Paris peace accord, clearly indicates that the peace process in Cambodia, in which the United Nations has invested so much money and effort, will end in failure.

The United Nations' final hope is for cooperation from Thailand. It hopes that Thailand will use its influence to put pressure on the Khmer Rouge to return to the peace process. Thus, we are the ones who will suffer the consequences.

I have no idea what our present government plans to do about the Khmer Rouge problem. But what can't be denied is that the Khmer Rouge are Cambodians who

are neighbors of Thailand. We have been associating with them for a long time, and we will have to continue doing so for a long time to come. There is no way to sever our ties.

Another fact that must be recognized by all sides is that it was not Thailand that caused the split within Cambodia. Tossing the problem to us and expecting us to solve it is not right.

Call for Compliance With Sanctions

93SE0080C Bangkok SIAM RAT in Thai 14 Nov 92
p 3

[Editorial: "Thailand and the Cambodia Problem"]

[Excerpts] The problem in Cambodia has reached a critical point now that it appears that the various sides have failed in their efforts to get the Khmer Rouge to participate in the UN peace plan. This includes the efforts by Thailand and Japan and other countries, which held a meeting with the four Cambodian factions in Beijing at the beginning of this week. [passage omitted]

Other countries, particularly Western countries, continue to criticize Thailand. They charge that Thailand is supporting the Khmer Rouge, which killed countless Cambodians, by allowing private citizens to fell timber, mine gemstones, and engage in other profitable activities in the Khmer Rouge zone. There have been reports that more than 10,000 Thais are working in the Khmer Rouge zone and that the government can't do anything about this.

We are sure that the government has a plan to deal with the effects of the Cambodia problem, but we don't know whether it will be able to fully protect Thailand's interests and security along the border there. As a member of the United Nations, Thailand will have to implement the UN Security Council's resolution. But we will have to act very carefully. The government should not side with any faction if that will tarnish Thailand's image.

Concern Noted for Image on KR

93SE0080D Bangkok NAE0 NA in Thai 16 Nov 92 p 4

[Editorial]

[Excerpts] [passage omitted] Thailand decided to associate with and build friendly relations with the Khmer Rouge in the past in the hope of restoring peace in Cambodia. But today, the light of peace there seems to be growing dimmer now that the Khmer Rouge has indicated that it will not cooperate with the other Cambodian factions. That has resulted in the United Nations threatening to take retaliatory action against the Khmer Rouge in order to force them to act in accord with the UN resolution. Regardless of what action is taken, that will definitely affect Thailand, too, as a country that has associated with all the Cambodian factions in an effort to bring peace to Cambodia.

We sympathize with the Ministry of Foreign Affairs, which must make preparations to deal with this situation. And we support the clear position of Thailand, which is prepared to act in accord with the UN resolution, including participating in imposing sanctions on the Khmer Rouge if that resolution has the unanimous approval of the Cambodian Supreme National Council. Such an attitude is correct and necessary as long as those resolutions do not infringe on Thailand's independence and sovereignty. [passage omitted]

We would like to say that if the government is really interested in solving this problem, it should realize that as far as trade along the Thai border is concerned, the Ministry of Foreign Affairs is not the only unit that is well-informed about this problem. Officials from other government units concerned, such as the Ministry of Interior, the Ministry of Finance, the Ministry of Defense, the Ministry of Commerce, and the Office of the Prime Minister, should take part in trying to solve this problem.

It's true that making preparations to deal with this situation is the duty of the Ministry of Foreign Affairs. But in order to clarify the problem of Thai border trade or to clarify our internal problems for outsiders or international organizations such as the United Nations, it is essential that all units take part in the deliberations. We want to voice this opinion for consideration by all Thais.

Concern Over Sovereignty

93SE0080E Bangkok SIAM RAT in Thai 19 Nov 92 p 3

[Editorial: "Thailand and the Cambodia Resolution"]

[Excerpts] [passage omitted] If economic sanctions are imposed on the Khmer Rouge, the Thais who will be affected include those who have invested in timber and gemstone mining activities in the Khmer Rouge zone. At present, these activities are earning investors several hundred million baht a year. [passage omitted]

Another important issue concerning the United Nations' decision to impose sanctions on the Khmer Rouge is that the United Nations may decide to send its peacekeeping forces in Cambodia to inspect things inside the Thai border in order to ensure that this resolution achieves results. The Thai-Cambodia border is very long. An important problem is the violation of Thailand's territorial sovereignty by foreign troops, which is something that we cannot allow.

All of these UN measures seem to depend on one principle. That is, the United Nations must ensure that a general election is held in Cambodia at the stipulated time, that is, in May 1993. The United Nations is not concerned about whether the Khmer Rouge will participate in that election. And it isn't known whether the United Nations' mission in Cambodia will have ended by then or whether Cambodia will be left to its own devices with a new neutral government in Phnom Penh composed of three Cambodian factions, that is, without

the Khmer Rouge. If that is the case, the fighting and turmoil in Cambodia will probably continue, and Thailand will feel the effects of this along the border.

There are reports that the government is preparing a course of action if the United Nations does pass a resolution on this. But during this turning point of the United Nations, which is close to stipulating elections, which is the goal of the United Nations, the government should focus its attention on the nation's interests and give more weight to long-term interests than short-term interests.

Khukrit Pramot on KR Vulnerability

93SE0080F Bangkok SIAM RAT in Thai 19 Nov 92 p 5

["Soi Suan Plu" column by Khukrit Pramot]

[Excerpts] [passage omitted] We must not forget that the Khmer Rouge [KR] have never attached any importance to human life. They killed people in Cambodia as if they were killing vegetables or fish. Thus, if we threaten to take this or that action against the Khmer Rouge in order to cause difficulties for them in governing the people under their control, they may not attach any importance to that at all.

As I have written before, one senior Thai military officer said that the Khmer Rouge have lived in the jungle for a long time. They are used to hardships and poverty. If the Khmer Rouge are threatened with economic sanctions, which refers to wealth and a good life, that may not frighten them at all, or they may not view that as very important. I think that the view of that senior military officer should be considered and that it should be remembered whenever people contact or take action against the Khmer Rouge. [passage omitted]

There are those who think that a "soft stick" should be used against the Khmer Rouge. They think that economic sanctions against the Khmer Rouge should, for the time being, be limited to threats. The threats can be carried out later once it becomes clear that the Khmer Rouge will not lay down their weapons and will continue the war and that they will not consider peace or participate in the general election. This is a possibility. But people should realize that the Khmer Rouge are not like anyone else in the world.

Today, the Khmer Rouge continue to claim that Vietnam is still sending troops into Cambodia in the guise of civilians who are settling down in Cambodia. The Khmer Rouge insist that they will not abide by the Paris accord until Vietnam stops doing that and until all the Vietnamese who have been sent to Cambodia in this way have been repatriated to Vietnam.

The secretary general of the United Nations has refused to accept this Khmer Rouge claim, or excuse as it can be called. Instead, the UN secretary general has issued a report stating that in fact, none of the things mentioned by the Khmer Rouge have happened along the Cambodian-Vietnamese border. Vietnam has not sent troops into Cambodia in the guise of civilians. The charges

made by the Khmer Rouge are one-sided charges with no supporting evidence whatsoever.

This will probably affect Thailand, which is presently the Khmer Rouge's largest market. Goods from the Khmer Rouge zone include gemstones from Pailin and logs. These are brought into Thailand across the Cambodian-Thai border even though Thai officials have repeatedly said that they are watching the border very closely.

It should be understood that simply acting in accord with UN orders without considering things carefully is not a minor matter for Thailand. The gemstone mining activities and timber felling operations there are large industries that require large investments.

The Khmer Rouge do not have sufficient money to carry on these activities by themselves. At most, they may have put up a small amount of money. Most of the money has been invested by Thais who trade in gemstones and who have one of the largest gem markets in the world. And the timber merchants have markets in Thailand and in other countries.

Thus, Thais have invested large sums of money in Cambodia, particularly in the zone controlled by the Khmer Rouge. If people interfere with or block these activities for some reason, it is those who have invested in these activities, who are Thais and who have already invested huge sums of money, who will suffer the consequences.

The Thai Government can't simply adhere to UN resolutions without giving any thought to the terrible economic effects that this will have on Thais. Instead, it may have to give all of its attention to the problems affecting those Thais who have economic interests there. Thus, even though Thailand may agree with the United Nations on some issue, when it comes to closing the border or prohibiting trade with the Khmer Rouge, Thailand will have many reservations.

There have also been reports that the United Nations will use forces to monitor the Thai-Cambodian border in order to prevent goods from leaving Cambodia. And there have been reports that the United Nations may base troops in Thailand. Thailand's foreign affairs minister has firmly denied this, stating that Thailand will definitely not allow any foreign troops to be stationed in Thailand.

If someone then asks why Thailand once allowed the United States to base troops in Thailand during the war against Vietnam, Thailand can respond by saying that that is a historical issue, and history is something that Thais forget easily.

UN Pressures Khmer Rouge

93SE0080G Bangkok BAN MUANG in Thai 23 Nov 92
p 2

[Article by Kitiphat Thaotho]

[Excerpts] Thai merchants and businessmen are making preparations to return home, because there have been

reports that the United Nations will impose a trade embargo on the Khmer Rouge now that there seems little chance of persuading the Khmer Rouge to abide by the terms of the peace accord. Because regardless of what has been done, the Khmer Rouge have maintained the same attitude.

Moreover, they have charged that the United Nations is siding with the Phnom Penh government and that it wants to destroy the Khmer Rouge. And what is important is that the Khmer Rouge have said that if they can't participate in governing the country prior to the election, not only will they refuse to participate in the election but they will also refuse to accept the results of the election, which is scheduled to be held next May. It's too bad that the Khmer Rouge did not say what they will do if the United Nations goes ahead with the election as scheduled.

The United Nations is no longer interested in the Khmer Rouge conditions after several unsuccessful attempts to negotiate with this faction. It has allowed Thailand and Japan to act as intermediaries and arranged talks in Beijing, which were attended by representatives from several countries, in an attempt to solve the problems. But nothing has been achieved. [passage omitted]

The United Nations is now implementing a plan to put pressure on the Khmer Rouge. It has announced that a trade embargo will be imposed on the Khmer Rouge in order to put pressure on this faction and see if this achieves results.

Greater and greater pressure will probably be applied until the United Nations takes the final step by siding with the Phnom Penh government and sending military forces to force the Khmer Rouge to surrender. [passage omitted]

Something that the Thai Government must consider is that the Thai merchants and businessmen affected by these measures stand to lose annual revenues totaling tens of billions of baht. Furthermore, those Thai businessmen who were recently granted timber or gemstone mining concessions in the Khmer Rouge zone, which accounts for about 15 percent of the area of the country, haven't had time to recoup their investment. Just the equipment installed in Cambodia by the gemstone mining companies is worth 500 million baht. [passage omitted]

Actually, Thailand is one of the countries that has played a major role in trying to bring peace to Cambodia. Besides this, Thailand has sent troops to help repair roads in Cambodia for use in repatriating Cambodian refugees. And what is most important is that Thailand is one of the countries that signed the Cambodia peace accord in 1991.

Restoring peace in Cambodia is the only way to create stability in this region, which is the hope of every country. Thus, Thailand cannot turn its back on the original policy or make a "U Turn." What the government must do now is make preparations to solve the

problems that will arise from the losses suffered by Thai businessmen, who are the ones who will be affected by these measures. The government should consider this to be one of its important duties in protecting the nation's interests.

I am sure that the government has prepared a way out or bargaining position to deal with this situation.

Editorial Faults Sanctions

93SE0080H Bangkok MATICHON in Thai 23 Nov 92
p 8

[Editorial]

[Excerpts] Thais who live along the Cambodian border are very troubled, and they are making preparations to hold demonstrations if the border is closed and trade with the Khmer Rouge is prohibited in accord with the UN resolution. [passage omitted]

Actually, closing borders has never succeeded in stopping trade anywhere in the world. Cross-border smuggling will continue. [passage omitted] Another point is that closing the border will enable some government officials to profit by imposing illegal taxes on border merchants, with the money going to those officials instead of the state.

Thus, it does not appear that imposing sanctions on the Khmer Rouge will do much good. We should look for other measures that can achieve better results than sanctions. Whether or not the Khmer Rouge participates in the election there is an internal matter of Cambodia. That is a Cambodian problem in which other countries have become involved. [passage omitted]

The most important thing is helping the various Cambodian factions to work together and use political methods to solve the difficult problems there. One way is to have the four Cambodian factions form a coalition government. Immediately calling for a general election, with the result that one of the Cambodian factions, particularly the Khmer Rouge, is forced out of the political circle, will not bring permanent peace to Cambodia. The four Cambodian factions must cooperate for a while longer. That is better than following the UN plan.

Call Seen for Support of Sanctions

93SE0080I Bangkok MATICHON in Thai 24 Nov 92
p 8

[Article by Kasem Atchaisai: "Absolutely Forbid Trade With Khmer Rouge"]

[Excerpts] Last week, Thai gemstone and timber merchants who are involved in business activities with the Khmer Rouge expressed their dissatisfaction with the position taken by the UN Security Council, which plans to pass a resolution to have Thailand close the border. [passage omitted]

Statistics show that Thai businessmen have invested approximately 2 billion baht, or even more, in various activities in Cambodia. [passage omitted]

What the government should do today is invite businessmen to attend a meeting to discuss this matter. Also, the Ministry of Foreign Affairs should not be the only unit involved in handling things. Defense ministry officials should also participate in explaining that if we have to close the border, we will do so resolutely, because this is a UN resolution. Those who fail to act accordingly will be criticized, and our military will take resolute action.

A good explanation is that what has happened is not something personal. Rather, this has to do with bringing peace to this region. Saving for the future is better. People still have time to withdraw their investments. After Cambodia has an elected government, they can engage in business activities permanently in accord with the law.

It must also be explained that Thailand has had to bear the burden of housing and feeding Cambodian refugees. To date, we have repatriated only about half of the refugees. There are still about 190,000 Cambodian refugees in Thailand. These people should be repatriated before the election there.

If we do anything that violates the UN resolution, we will not be able to complete the repatriation of these refugees, because we cannot do that without the cooperation of the United Nations High Commissioner for Refugees. After explaining things, if businessmen are still adamant about protecting their interests, they can say so.

Something worth noting is that since taking office over a month ago, even though it has been criticized as being inefficient, with each party administering things in its own way, the government has done one thing that has satisfied people. I am referring to the matter of "Sia Song," against whom the government took resolute action.

The government should also take resolute action on the issue of trade with the Khmer Rouge. If it can't, it should let the opposition manage things.

Sanction May Hurt Thais

93SE0080J Bangkok DAILY NEWS in Thai 24 Nov 92
p 2

[Commentary by Trairat Sunthonpraphat]

[Excerpts] It seems that the Cambodia problem is about to fall on Thailand again. That is, Thailand is being forced to become involved with the Khmer Rouge. And the United Nations is running about saying that if the situation becomes serious in Cambodia, Thailand must allow the United Nations to use Thai territory as a military base for UN forces fighting the Khmer Rouge.

Thailand has had to put up with such things for more than a decade but has not gotten anything in return. When hundreds of thousands of Cambodian refugees began pouring across the border into Thailand, the United Nations, in cooperation with the Western bloc, forced Thailand to accept those refugees. Today, there

are still a large number of Cambodian refugees in Thailand. But the world community has not given Thailand much help. Large numbers of Cambodians have fled to the cities and started working there. [passage omitted]

Let's return to the Khmer Rouge problem. The United Nations can no longer put up with the Khmer Rouge. If they remain obstinate, they will have to face the consequences. Several measures will undoubtedly be implemented to teach the Khmer Rouge a lesson. What is certain is that economic sanctions will be imposed on them, and they may face military action.

Based on Cambodia's environment, the United Nations will have a difficult time taking action against the Khmer Rouge. There is no guarantee that economic sanctions will work. And Thailand probably won't be as easily influenced as in the past, when it found itself encircled, too. The result was that Singapore reaped huge profits from trading there.

Thailand will probably have to go along with the United Nations and say that it is closing the border with the Khmer Rouge. But along the border, officials will close their eyes and allow trade to continue. Otherwise, Singapore will step in and take advantage of the situation.

Thailand should have a strategy and stand on its own feet. We should not allow neighboring countries to grab everything. But we should not do things too blatantly or become too greedy. We must not give the world community an excuse to condemn us. But at the same time, we must not allow the United Nations to use our land to suppress the Khmer Rouge. That is Cambodia's affair and so it should be dealt with there. If they occasionally want to make secret use of Thai territory, that's all right. But we cannot allow them to station foreign troops in Thailand and use Thailand as a base from which to launch attacks on the Khmer Rouge. That is like inviting the enemy into your house. Thailand and Cambodia share a long border. The Khmer Rouge might attack us. The UN troops should stay in Cambodia.

Thailand has been hurt many times already. We should focus on quickly developing our country. Let's not become the front line in a war again. I am really afraid of what may happen.

Editorial: Don't Prejudice Interests

93SE0080K Bangkok NAO NA in Thai 25 Nov 92 p 4

["Cambodia's Peace"]

[Excerpts] [passage omitted] It appears that one of the Cambodian factions, that is, the Khmer Rouge, still refuses to cooperate, give up its weapons, and participate in the election to be held by the United Nations in Cambodia at the beginning of next year. Because of this, the UN Peacekeeping Committee in Cambodia has had to look for ways to force the Khmer Rouge to accept the UN resolution.

One of the ways that is being talked about a lot is imposing sanctions, or an economic embargo, on the

Khmer Rouge. It isn't clear if the United Nations will pass a resolution calling for this. However, once rumors about this began spreading in Thailand, which shares a rather long border with the Khmer Rouge, people naturally became very alarmed. This is because Thais have been trading with the Khmer Rouge for a long time. Thais have invested in many projects in Khmer Rouge-controlled areas. If economic sanctions are imposed on the Khmer Rouge, Thailand may have to close the Thai-Cambodian border, and the profitable business activities that the Thais and Khmer Rouge have been carrying on for so long will come to a halt. That will hurt both sides. That embargo will be an embargo against Thailand, too. [passage omitted]

Thailand wants peace in Cambodia. We must do everything possible to get the Khmer Rouge to cooperate with the United Nations and to ensure that a general election is held there at the beginning of next year in accord with the UN resolution. In particular, all Cambodian factions must act in accord with the Paris peace accord. That is, all Cambodian factions must lay down their arms under the supervision of UN forces until a general election is held and Cambodia can govern itself within a democratic system. But this does not mean that Thailand has to suffer huge losses.

MILITARY

Navy CINC on Strategy, Structure, Threats

93SE0060A Bangkok KHAO PHISET in Thai
13-19 Nov 92 pp 12-16

[Exclusive interview with Navy Commander in Chief Wichet Karunyanit by Piyanat Worasiri and Uaiphon Taechutrakun in late October 1992; place not given]

[Excerpts] Unless it's a special occasion, it is very difficult to interview this RTN CINC [Royal Thai Navy Commander in Chief]. At the end of October, reporters from five newspapers interviewed the RTN CINC on the occasion of Navy Day, which will be held on 20 November. KHAO PHISET was the only publication that did not interview this commander with the intention of publishing a special edition. Thus, our questions were quite different from those of the other reporters. Even though his subordinates told us that we should not ask any questions pertaining to politics, the RTN CINC answered all the questions asked by KHAO PHISET. Even though some of his answers were very broad, they did reflect the views and mind of this Naval officer.

[Piyanat/Uaiphon] Today, with our economic growth, there are several projects that are tied to an ocean role, such as the eastern and southern seaboard projects. Is the expansion of these projects in line with the Navy's capabilities to provide protection?

[Wichet] This is something that we are now taking action on. In the future, or in the next 10 years, the Navy must certainly have the forces necessary to maintain security. That is the target at which the Navy is aiming. We have purchased six frigates from China. Four of these have

already been delivered. These ships will be used to build up our security at sea. Ocean security involves several things. We must help maintain the country's economic security. Our fishing boats must be protected. We must prevent anyone from harassing them in international waters. We must also protect the more than 50 drilling rigs in the Gulf of Thailand and the cargo ships that enter and leave here every year carrying hundreds of billions of baht worth of goods. As for the people who live along the coast, whenever a threat arises, the Navy must have the capabilities to send forces to help them. This is why we have had to build up the Navy. We will have to purchase additional frigates. A helicopter carrier is now being built in Spain. Once this ship has been deployed here, it will play a role in helping out in emergencies, such as when there are storms. These ships weigh more than 10,000 tons and can weather strong seas. They will be able to help people who are in danger. The helicopters on board this ship will be used to inspect various places. It won't be necessary for the helicopters to fly back to the coast to refuel. This will facilitate monitoring the shipping lanes from the mouth of the Gulf of Thailand to the various ports. These are the ways in which the Navy is helping to maintain the security of the country on both the military and economic fronts. But I want to say that these forces are insufficient. My reason for saying this is that in the Indian Ocean, which is also an area of responsibility of the Navy, we still don't have any large ships deployed there. All that we have there are small ships. This is one of the Navy's concerns. The Andaman Ocean is very deep. If docks are built just 5 meters off the coast, 200,000-ton ships can dock easily. That would bring great economic development. Thus, the Navy would like to inform the government that it is essential to build a force of large patrol boats. Besides carrying out these tasks, those boats will be used to replace our present boats, which are 40-50 years old. [passage omitted]

[Piyanat/Uaiphon] Every country has announced the demarcation line between international waters and its territorial waters. Will this cause a problem of overlapping? For example, we have a problem with Malaysia in the tripartite economic zone. Is the Navy playing a role in solving this problem?

[Wichet] As for the issue of overlapping zones at sea, based on a law that was promulgated just recently, each country's territorial waters zone extends out 200 miles. This is a new law, and every country has accepted this. In particular, the small countries like this law very much. Several Latin American countries, which are located near the United States, which has been operating large ships near the coasts of those countries, have begun enforcing the 200-mile limit. It began there. In our region, our territorial waters overlap those of Vietnam and Cambodia. In the south, our territorial waters overlap those of Malaysia. In the Indian Ocean, our waters overlap those of Burma, India, Malaysia, and Indonesia. We have already reached an agreement regarding territorial waters in Asian oceans. Our four countries have already reached an agreement and so

there aren't any problems. In the Gulf of Thailand, our territorial waters overlap those of Malaysia, forming a triangle off the coast of Narathiwat Province. If you stand on the beach in Narathiwat and look out to sea, you can see that area about 60-70 miles out to sea. Each country has drawn a perpendicular line from the coast. We think that the line extends out from this point. Thus, those lines meet to form a triangle. I am talking about Malaysia now. There are many problems. We have had an agreement ever since the Kriangsak administration. That area is supposed to be a Thai-Malaysian joint development area, or J.D.A. We already have an agreement. And I can say that progress has been made. Because of my position, I am a member of the joint committee. We have formed a board to consider that area. Each side has invested a similar amount, and the profits are to be shared equally.

When anything is done in that area, both sides are to invest equally. We have set up a committee. If the first chairman is a Thai, the office must be located in Malaysia. It has been agreed that the first chairman will be a Thai. I think it will probably be the deputy under secretary of the Department of Resources. The office will be located in Malaysia. Both sides will invest equally. We will then share the profits. There shouldn't be any problems. On 11 December, the Thai members must fly there for the first meeting. There aren't any problems. We will have to discuss fishing a little. We have talked about resources beneath the sea, but we have not talked about fishing matters. This is just a minor issue. The main problem is with Cambodia, because our territorial waters overlap for many miles.

[Piyanat/Uaiphon] China is reportedly building a road to Burma in order to gain access to the Andaman Sea in the Gulf of Martaban. Could this create problems in the Gulf of Martaban, which has to do with our part of the Andaman Sea?

[Wichet] I have been monitoring this. All we know at present is that they are providing economic aid. Burma does not have any capital. China is building a port for them. This is what we know at present. Of course, if China builds a port for them, it will definitely have the right to trade with Burma there. Chinese ships will certainly pass through the Andaman Sea on their way to Burmese ports. If they don't send warships, that won't affect anything. Those will be commercial ships just like those from other countries. If China expands its capabilities to the point where it can reach the Indian Ocean, that is India, they will become a big Naval country. As a small country, Thailand is monitoring this situation. We are concerned about our interests in our zone.

[Piyanat/Uaiphon] Do you think that it is necessary to have a large Naval base on the coast of the Andaman Sea?

[Wichet] Definitely. The Navy is coordinating things with the economic sectors. We have been holding talks with such people as Dr. Sawit Phothiwihok, who is an economic minister. We have talked with him frequently.

It is essential to have a Naval station or base on the coast of the Andaman Sea. In view of the fact that large ships will have to be based there in the future, we are now considering where to build a Naval base so that large ships can dock there. The Navy is monitoring this matter closely, and some progress has been made. We have to coordinate things with Dr. Sawit in order to turn this into reality.

[Piyanat/Uaiphon] Today, which neighboring countries have submarine capabilities? Do you think that Thailand should have a submarine fleet? Also, how do our present Naval capabilities compare with those of our neighbors?

[Wichet] Indonesia already has submarines. Reporters probably know that Malaysia is now trying to obtain submarines. There have been reports that they will purchase submarines from this and that country. Those are countries to our south. In the Indian Ocean, India already has submarines, including nuclear submarines. As for our Navy, I can tell you that the submarine program is one of the Navy's programs. But we won't be able to purchase any until the government provides financial support. As for whether this is necessary, my response is that this is very necessary. We have included this in the Navy's structure. That is, in the future, when the situation is favorable, the Navy must obtain submarines. Besides their tactical capabilities, in normal times, when the seas are rough and surface ships can't get through, submarines can dive to depths where they are not affected by the strong waves. They can then serve as the Navy's eyes and ears at great distances or provide deep protection. "Deep protection" means that when an enemy approaches our country, he will first have to pass through zones of interdiction. Submarines can travel very far and gather information on possible threats. As the enemy approaches, we can send out aircraft and large warships. If they approach even closer, we can then use small patrol boats and finally soldiers along the coast. This is what we mean when we say "deep protection." Thus, submarines are very important to countries that border the ocean. Once the economy permits it, we will have to obtain submarines. Every country feels the same way about this.

[Piyanat/Uaiphon] As you have said, Indonesia already has submarines and Malaysia has implemented a program to obtain submarines. If we wait another five years or so, will it be too late?

[Wichet] My response is yes, because you can't order a ship today and get it next year. It takes at least three years. If we wait another five years, it will be at least eight years before we have a submarine. Thus, in my view, if the government thinks that this is necessary and the people all help, or if reporters help people to see that the Navy has a role to play in protecting our economic interests and help explain things to members of parliament, once people see the necessity of this and the Navy's budget is increased, I think that we can speed things up.

[Piyanat/Uaiphon] Doesn't the Navy already have the capabilities to provide full protection? That is, don't we already have enough ships and weapons?

[Wichet] Let me say this. We are prepared to a certain degree. But if you ask the military if it is 100-percent prepared, the answer is no. In the present situation, we have the capabilities to carry out our mission today. But if things become more crowded and our gas and oil drilling rigs extend to Vietnam, we will have to increase the size of our forces, because the ocean is very broad. The Navy can provide protection to a certain degree. However, we cannot become careless. We must constantly keep abreast of the situation. Something that people must be aware of is the situation in the Spratley Islands. That is a small group of islands off the coast of Vietnam. But five countries now claim that archipelago. Whoever controls that archipelago can block the sea lane used to ship cargo to the Gulf of Thailand. Thus, we must monitor that situation, too. They can't simply wage a battle and then say that cargo ships can't use that sea lane to get to Thailand. That would create problems for us, too.

[Piyanat/Uaiphon] During the past 10 years, the Navy's budget has always been less than that of the army and air force. As compared with civilized countries in the world and with neighboring countries, have the budgets of the Navies in those countries been less than the other services as in Thailand?

[Wichet] Malaysia's Navy has always received a lot. They ordered 18 ships at one time. Those were OPV coastal patrol boats. And they have a program to purchase aircraft. Indonesia has purchased second-hand ships. They have purchased ships from the Netherlands. They are very alert. Now that things have settled down on land, the competition has shifted to the seas. They are not fighting at sea. But they are protecting their economic interests. They don't want anyone fishing in their territorial waters. This year, our warships have protected commercial vessels. Our warships have patrolled our waters and discovered other trying to steal our property. We have taken steps to solve this problem.

[Piyanat/Uaiphon] The reason for asking about this is because the government has implemented development projects along the southern and eastern seaboard and along the coast of the Andaman Sea. But the budget funds allotted the Navy seem to have remained about the same for many years. In view of this, how can development and economic defense remain in balance?

[Wichet] You are right. That is a problem. This is something about which we are very concerned. I will try. I have talked with the minister of defense. Yesterday, I met with the chief of staff officers and told him about the needs of the Navy. I have informed my superiors. And whenever the opportunity arises, I will inform others.

[Piyanat/Uaiphon] Today, the armed conflicts in this region have decreased greatly. That includes the war in Indochina and other conflicts. But on the other hand, economic competition has increased. Thailand has two

coastlines. What we would like to ask you is, in view of the fact that the Navy's budget is smaller than those of the other two branches of service, do you think that the Navy's budget is in line with our present economic growth? That is, should the Navy's budget be larger than those of the other two branches?

[Wichet] I am glad that you asked that. I hope that newspaper reporters will express views about the necessity of this. Needs will certainly increase. But we also have to look at the government's ability to allocate funds. That is our hope, but we are aware of how much money the government has. We can't carry on development activities in excess of the government's capabilities. Thus, the development projects that I have discussed will have to be long-term projects. Based on its capabilities, the government can provide short-term budget funds. We have informed the government of our needs. We have not requested a huge lump sum. We have implemented three- and five-year programs. The Ministry of Finance has told us not to make commitments for more than five years. We will just take things step by step. [passage omitted]

Army Chief Wimon Profiled

93SE0086A Bangkok *THE NATION* in English
15 Nov 92 p A10

[Article by Wassana Nanuam: "A Day in the Life of the Army Chief"]

[Excerpts] Wassana Nanuam spent a weekend with the nation's most powerful military man during which he mingled, berated and bared his soul to his troops. [passage omitted]

It was Friday morning, Nov 6, at Lop Buri's Artillery Centre, and the 2,600 men in green uniforms were expectant. Cannons were wheeled out to announce Wimon's arrival. [passage omitted]

Also present were Lop Buri commanding officers, including the army Special Warfare Unit's Lt Gen Surayuth Chulanon, nicknamed "little brother" because of his constant attendance to Wimon.

A beaming Wimon told the assembled military: "I'm glad I'm back here again. And I feel like I'm home, visiting my close friends and cousins. I'm particularly delighted." [passage omitted]

The forces are to begin soul-searching and looking for a suitable role in the modern world, in order to achieve efficiency, preparedness, unity, prestige and dignity, and to regain the trust of the Thai public.

After the pep talk, Wimon mixed with the rank and file, exchanging words with them. He asked about their level of academic attainment. One commissioned officer who, through determination and personal hard work, attained a bachelor's degree in service and rose through the ranks, took the opportunity to vent his frustration: "I have been left unpromoted as captain for the past nine years."

"It seems to me you have been preaching a bit too hard to your superior," Wimon replied jokingly, drawing laughter from the crowd around him.

Some griped that they had been stuck at the rank of lieutenant for several years. The remarks stunned the army boss, who then pointedly instructed the Army Wing to relax its rules and accept as pilots officers under 30 who hold a bachelor's degree.

Throughout it all, no-one was fooled into believing his visit and pep talk were meant to exhibit bonhomie. All knew that the care he showed was intended to allay fears of the impact of the imminent reduction in army personnel.

At another major combat unit, the Special Warfare Command of Lop Buri, also known as the Red Berets of the 31st Infantry Regiment, thousands of *pa wai* ("bamboo jungle") soldiers waited for the boss for nearly two hours.

When Wimon finally arrived and took the stage, he delivered basically the same prepared speech he made to the other unit.

Many saw his visit as an attempt to win the trust of the rank and file. But the microphone and the amplifiers at this unit seemed to be staging their own revolt. His voice crackled erratically around the parade ground, yet his message appeared not to be lost on the soldiers.

After finishing his speech, Wimon stormed up to the signals officer in charge of the sound equipment behind the parade review stand.

"What went wrong with the sound system," a furious Wimon demanded, his eyes blazing. The harried signalman, purportedly the best in the Lop Buri regiment, said he did not know.

"How could you call yourself a signalman if you do not even know how to do a job," snapped Wimon, causing a chilling silence to fall on those around him. The signalman turned ashen.

His outburst over the incident was completely unexpected by the officers around him. As they stood stunned, he smirked and turned his back on the stunned signalman.

In the uneasy atmosphere after his visit, no officer dared to guess if that was the true character of the man. But one offered words of understanding, saying, "brother 'Mol' has always been like that, open and impetuous." [passage omitted]

"I was made army commander in chief after a spate of misery, a lot of troubles, the decadence of the armed forces. I'd like to declare that at first I was miserable because my success was built on the damage and on the fall of my friends [the military leadership before the May turmoil]. It always hurts.

"Even though we shared no common ground, I feel sorry that my advancement meant the destruction of my friends," Wimol said in an unexpected show of openness before a silent audience.

"Secondly, I have a nagging doubt over how far I can go to implement the plan to restore the army, including hundreds of thousands in the rank and file, to high esteem.

"And lastly, I assumed the post of the army chief in the midst of misgivings from a lot of my peers who called me on the phone, apparently with sincere concern over whether I could implement my mission or if I would be too weak to resist pressure.

"They said that would result in the army taking the sack and being let down. These are the concerns that are nagging me, that I want to share with all my friends here."

He said he would perform his duties with honesty and justice, and invited all to inform on him if he should deviate.

Despite criticism that he spends too much time playing golf, an expensive sport, Wimol finds old habits die hard. He plays golf every Saturday, at Bank Khen army golf course. [passage omitted]

ECONOMIC

Economic Leaders React to Clinton Win

93SE0051A Bangkok THAI RAT in Thai 9 Nov 92
pp 1, 17

[Excerpts] [passage omitted] Mr. Uthai Phimchaichon, the minister of commerce, said that many people think that the election of Mr. Clinton as president of the United States will result in an increase in protectionist measures. He said that he has ordered officials to monitor this closely. But based on the history of past trading activities, he does not think that the United States will take serious action against Thailand.

"Thailand has cooperated by revising the patent law and affording greater protection to intellectual property. As for copyrights, we have been arresting more and more people on charges of producing fake recordings and videos. We have never ignored this. But the United States must understand that our court system does not operate as quickly as theirs. It takes a long time to reach a decision. If the United States realizes this, I am sure that they will understand Thailand." [passage omitted]

Mr. Phonsit Si-orathaikun, the president of the Thai Gemstone and Jewelry Merchants Association, said that there has been much talk to the effect that as a result of the protectionist policy of Mr. Clinton, Article 301 will be used to retaliate against Thai gemstone and jewelry products. The gemstone products that Thailand exports to the United States are different from the goods production in the United States. In many cases, Thailand exports just the stones, which American producers use as raw materials in making jewelry. Thailand also exports

low-priced jewelry. The total value of these exports is about 10 billion baht a year, or 30 percent of total exports.

Mr. Tharin Nimmanhemin, the minister of finance, said that Mr. Clinton's victory will probably have some effect on Thailand's international trade. But we will have to wait and see what the policy of the United States will be. Because during the campaign, Mr. Clinton took a very tough stance on trade matters. The Thai government will have to see what changes are made and find a new policy in line with that of the United States.

Major General Sanan Khachonprasat, the minister of industry, said that Mr. Clinton's election as president probably won't have much of an effect on Thailand's economy. The United States probably won't turn away from free trade, because it has adhered to this policy for a long time. The American people would not accept such changes. As for Thai textile exports to the United States, it's unlikely that the United States will stipulate harsh measures, because the United States has to rely on Thai textiles. Today, it imports 22 percent of its textiles from Thailand.

Mr. Trairong Suwannakhiri, the deputy minister of finance, said that now that Mr. Clinton has been elected president, he will probably take steps to protect domestic businesses, and that will definitely affect Thailand. However, the United States has to be concerned about its image as the leader of the free-trade system. Thus, it will be difficult for them to openly implement protectionist measures. But they may try to do that by holding talks with countries on maintaining the free-trade system.

Mr. Phachon Isarasanao Na Ayuthaya, the under secretary of commerce, said that protectionist measures might be implemented by citing environmental and humanitarian problems. That will definitely happen more often during the time of the Clinton administration. This is because his electoral base is composed mainly of laborers. The issues that will be raised include labor problems, unemployment, the environment, and human rights. [passage omitted]

Mr. Sathaphon Kawitanon, the secretary general of the Board of Investment (BoI), said that Mr. Clinton's election as president will definitely affect Thailand's economy. How much that will affect our economy depends on the international political environment. But the use of international legal measures will probably increase. This is because both the administration and the Congress are controlled by the Democrats. Thus, it will be easy for them to pass trade laws. He believes that Clinton's policies will focus on increasing exports and blocking foreign imports. But it will not be easy to implement protectionist measures, because the demand by Americans for foreign goods is increasing, particularly for electronic goods. If protectionist measures are implemented, the price of goods will increase and inflation will become a problem. His election will not have a very great effect on American investment in Thailand. This is because very few Americans have invested in Thailand.

They account for only 0.4 percent of investment in Thailand. But what we must keep an eye on are the measures implemented by the United States to attract more domestic and foreign investment in an attempt to solve the unemployment problem in the United States. He said that the state must quickly cooperate with the private sector so that there is greater unity and greater bargaining power.

Apparel Industry Chief Urges Accommodation With U.S.

93SE0050A Bangkok SIAM RAT in Thai 8 Nov 92 p 16

[Article by Wirot Amatakunchai, president of the Thai Apparel Industry Association]

[Excerpts] No one knows for sure what Clinton's international trade policy will be like. Clinton placed greater emphasis on solving America's internal problems and so he did not say much about foreign policy issues. That is different from previous presidents, who tried to reveal their foreign ministers either before or right after the election. [passage omitted]

There are probably several reasons why Clinton has declined to reveal his international trade relations policy. First, this may be because Clinton wants to see what the attitude of various countries is. Or he may not know anything about international trade. In that case, he will have to find economic advisers and establish an advisory team. If that is the case, it will be his economic advisers who make the decisions on international trade issues and on what measures to use in retaliating against competing countries. If his economic advisers have the power to make decisions, that will just make things even more difficult for those countries that have trade problems with the United States, particularly those countries that enjoy a trade surplus with the United States. One point that must be considered is that the United States will view those countries that have a trade surplus with the United States as countries that are causing problems for the United States and putting it at a disadvantage. It will have to take action against those who have the advantage. And the action that it will take against those countries that have a trade surplus is implement Article 301, because that is the weapon closest at hand.

The most worrisome thing today is the introduction of international trade protectionist bills. Everyone is watching this. What is most worrisome about the proposal of more than 300 such bills in parliament is that Clinton has a Democrat congress to work with. If a bill is introduced in congress and the president does not oppose or veto it, that bill will become law. And once trade protectionist bills have been passed into law, trade between the United States and other countries will become more difficult. We will have to wait and see which protectionist bills are passed into law and which trade issues they concern.

Let's now turn to problems between Thailand and the United States. We are now holding negotiations on intellectual property, which could affect trade involving

legal items. Once the Clinton administration takes office, it will have to take swift action to solve the problems concerning copyrights and patents. This will be the third urgent note for the Thai government. The government has tried to get the United States to postpone the implementation of various measures. But unless we revise things to protect copyrights and patents, they will definitely implement various measures to retaliate against us. And one of those measures will be Article 301, which is considered to be an important weapon. Studies concerning Article 301 and various measures that the United States could use against us show that they could cut our GSP [Generalized System of Preference] rights on imports, or cut our special rights concerning customs duties. Or they could reduce quotas on goods imported from abroad or impose tariff barriers on imports. They could set tariff barriers and collect taxes on goods in order to compensate for the losses they have suffered from the theft of intellectual property.

The matter of cutting our GSP rights is a very interesting issue right now, because more than 200 Thai exports now receive GSP rights from the United States. And if GSP rights are cut, they will probably be cut for all 200 items. The GSP issue is very interesting, because as compared with other measures, cutting our GSP rights will have the greatest effect on Thai exports. And those goods that will be affected are exports that have nothing to do with the theft of copyrights or patents.

My personal view on revising our laws on copyrights and patents is that we should go ahead and revise these laws instead of focusing on the minor interests of certain interest groups in the country, because that will affect honest traders who have nothing to do with that. They will be the ones affected if the United States cuts our GSP rights. That will also be bad for the country. In any event, the United States, whether it is the Clinton or Bush administration, will certainly cut our GSP rights unless we revise things and take steps to protect patents.

Board of Trade Chief on U.S. Bilateral Issues

93SE0050B Bangkok SIAM RAT SAPDA WICHAN in Thai 1-7 Nov 92 pp 18-20

[Interview with Thailand Board of Trade Director Prayun Thaloengsi by SIAM RAT SAPDA WICHAN; place and date not given]

[Excerpt] [passage omitted] [SIAM RAT SAPDA WICHAN] Clinton has won the election. What will happen with respect to the various trade problems now being negotiated, such as the patent and copyright issues, because their trade representative will be replaced?

[Prayun] We made major changes concerning the patent problem and other problems during the time of the Anan administration. Today, the United States does not have cause to take strong retaliatory action against Thailand on trade issues. If it does take action, it will probably take only minor action. But that depends on how you define "minor." They might cut our GSP [Generalized System of Preference] rights because they want us to do

things that we can't do. I still maintain that the patent law shouldn't have been revised. I remember that in an interview given when that law was passed, I said that if we can't do something, we shouldn't do it. If they want to punish us, that is not right, because we have tried to accommodate them on several issues.

They could cut our GSP rights a little. That's a possibility. But they could do away with that entirely. There is nothing permanent about that. That is something that they have granted us "free of charge." That is something that the developed countries have given the developing countries. I don't think that that would affect Thai trade. I think that we could negotiate that.

As for pirating copyrights and other such things, I think that we must adhere to principles. If something is not just, we should correct it. And we are doing that. I don't think that the United States will implement measures to put pressure on us because of the piracy issue. That happens everywhere. We have taken steps to solve this problem. The Thai government must monitor things. If they complain that something is unfair, we must take action to ensure that things are fair.

[SIAM RAT SAPDA WICHAN] Some people have recommended that we look for other markets to replace American markets.

[Prayun] People have been talking about that for a long time. But we can't find markets to replace any of our markets regardless of whether its American, Japanese, or European markets. All we can do is look for additional markets. It would be difficult to shift from American markets to other markets, because market shares have already been established. That is, we would have to compete against many other countries. We can't simply say that we are going to start trading elsewhere because the United States is taking stern action.

In world trade, there are three or four large export markets. The first is the United States, which is a very large market. More than 20 percent of our exports are to the United States, and these are industrial goods. The second market is Japan. The Japanese market is still not as open as the American market. But it is still a large market. About 17-18 percent of our exports go to Japan. More than 20 percent of our exports go to the 12-nation European market. Thus, about 60 percent of our exports go to two countries and one group. These are our main markets. These figures have remained constant for more than 20 years.

If we encounter problems, are we going to withdraw? As we have said, we can't find markets to replace these. At best, we may be able to find a few additional markets.

Besides the three groups mentioned above, there is also the East Asian group, that is, Korea, China, Hong Kong, and Taiwan and the ASEAN group. But 20-80 percent of the markets in these groups are gone. Korea, Taiwan, China, and Hong Kong can't replace the United States or Japan. Hong Kong is a transit point to other countries. China produces the same types of goods as we do, and

they buy very little from us. We trade with China, and trade has gradually expanded. But we have a trade deficit with them. China can't replace other markets. The same is true for Taiwan and Korea. We can't find industrial markets. But we are looking. The Chamber of Commerce has recommended that next year, we should hold talks and enter into a bartering arrangement with Taiwan. We have recommended that studies be conducted on the Korean market. Today, Korea is producing more and more heavy industrial goods. Perhaps that will give us an opening.

As for the ASEAN group, past governments have tried to expand trade with these countries. We do trade with them, but the volume is not great. These countries are neighboring countries that account for about 20 percent of our exports. Thus, together with Japan, that accounts for about 40 percent. Together with the 20 percent with the United States and the 20 percent with Europe, that accounts for 80 percent. We are already trading with those countries. People who talk like that don't know what they are talking about.

Then there are the South Asia countries, that is, India, Nepal, Bangladesh, and Sri Lanka. South Asia is a very small export market. We import much more than we export. We have a trade deficit with those countries. Exports to South Asia account for about 2 percent. Markets there are still closed. We are trying to encourage people to go and trade with India and Sri Lanka. But no one wants to go, because they usually trade with each other, and their markets are still closed.

Whenever we encounter a problem, we can't just run away from it. We must take steps to deal with the problem. We must try to solve the problems and improve things instead of withdrawing and looking for other markets. Those other markets may not have any problems, but they don't buy things.

African countries are very poor, but sales there are good, and we are making a profit. We export agricultural goods to them, and we don't purchase very much from those countries. The Middle East accounts for about 5 percent of our exports. Thus, Africa and the Middle East are important export markets for us. We are already trading with them. Stated simply, those countries have limited import capabilities. They already account for about 10 percent. The other 90 percent is already accounted for. But ASEAN and China account for more than 20 percent. Australia and New Zealand account for less than 2 percent, and their markets are limited. In some cases, our goods have to compete against their goods. In some cases, we can't increase market share. We have looked at South America. The chamber of commerce took a team of trade representatives there last year. Those countries are far away. Shipping fees are high, and there are still problems concerning tariffs. Communications are inconvenient, and some of those countries are just beginning to open their countries. Latin America and Mexico account for only 2 percent of our trade. They have a large population, but they don't have any purchasing power. Also, they import other types of goods. We have been

trying, but so far, exports haven't increased very much. If we do a good job, we should be able to increase exports, but those markets can't replace other markets. They can just supplement our other markets.

Russia, the various independent republics, Poland, Hungary, and Czechoslovakia want to buy goods, but they don't have any money. We will probably be able to sell goods at a moderate level but not at a high level. High-quality goods will be sold to the United States. Those countries want goods, but they don't have the money. Thus, we can expand trade with them, but they can't replace other markets. I don't think that exports will exceed 2-3 percent. Thus, those countries are not major markets of ours. They are supplementary markets.

In summary, we can't find markets to replace the American, Japanese, European, or ASEAN markets. These markets account for more than 80 percent of our exports. The rest of our markets are spread around the world. The important thing is that if we are marketing experts, we will not talk about replacing things. We must sell our goods to whoever wants them or to whoever has the ability to buy them. If someone does not have the power to purchase our goods or does not want them, there is no way for us to sell to them. Thus, if we want to expand exports, I don't think that we can abandon those four major groups.

Economist Discusses AFTA Costs, Benefits

93SE0061A Bangkok KHAO PHISIT in Thai
13-19 Nov 92 pp 35-37

[Interview with Chulalongkorn University Economist Dr. Chaiyawut Chaiyaphan by Yuphin Chittichanon; place and date not given]

[Excerpts] [passage omitted] [Yuphin] In your opinion, how successful was the recent AFTA [ASEAN Free Trade Area] conference?

[Chaiyawut] Mr. Suphachai Phanitchaphak, the deputy prime minister, attended that meeting. I don't know if he achieved anything or not. He said that real action will be taken and that Thailand will act in accord with the decisions. Our statement followed the agreement. The only thing is that we will now begin a period of negotiations. Certain goods were stipulated. But Malaysia may.... That is, there are both pros and cons. For countries whose economies are already good, implementing this right away will attract investment. But for countries that can't implement this quickly, that is, for those countries whose economies are not good and that cannot bargain, this will result in foreign investors turning to those countries that can implement this quickly. In terms of exchange rates and economic conditions, Malaysia is now in a much better position than Thailand. We are now at a disadvantage. We can raise this point to persuade other countries. We must take swift action and try to provide support or find money to compensate those sectors or individuals who suffer losses.

AFTA has held meetings at several levels. The official, or ministerial-level talks have been very important. In the future, there will probably be government-level meetings. The leaders of countries do not meet very often. They don't meet unless there is something truly important to discuss. In general, ASEAN has improved greatly. Something must be done to show that the economies of our countries are fairly secure and that we have a fairly definite plan for the next 15 years. Investors will be able to invest in the ASEAN countries with confidence. This is in accord with international policy. This will facilitate contact with Europe. There are pros and cons within ASEAN depending on the economy of each country. The Philippines, for example, will definitely be at a disadvantage. Their financial situation is not good, and their economy is backward. Thailand has a slight advantage over the Philippines. The Chatchai administration opened up the country. But it did things too quickly. The economy may have improved, but whether or not the standard of living of the people improved is something else. Now that we have reached a certain level, we will have to apply the brakes, because the people's standard of living is declining. Now that the country has been opened up, there is a shortage of telephones and roads. There is not enough of anything needed by the people. This is not good. We must put on the brakes. But if we apply the brakes, the economic uncertainty will cause things to decline. This is different from countries that made slow but steady progress.

[Yuphin] There are those who charge that the Anan Panyarachun government handled the AFTA matter in a way that put Thailand at a disadvantage. Is that true? What were the pros and cons for us?

[Chaiyawut] Overall, the Anan administration did a lot. They were afraid that the elected government would not be secure enough to take action. Thus, they rushed to do things. They may have done things too quickly. During that period, the economy had both its good points and bad points. One of the good points was that we tried to take action in line with the capabilities of a country that had many disadvantages. Investors had a very negative image of us, and there were losses stemming from countless coups.

As for AFTA, the advantages and disadvantages are not completely clear. It depends on the issues. As for the recent meeting in Manila, I think that the agreement will be adhered to. That is, within the next 15 years, tariffs between the members countries will be reduced. Duties will not be reduced on imports from third countries. The advantages and disadvantages depend on to what degree we can bargain with them on various goods. It depends on the time. Some things are already good, such as cement. Reductions have had a great effect on some items, such as palm oil. If we include this in a "base tag," within five years we will have problems, because our exports will not cover our losses. Stated simply, there are two groups. One group is composed of exporters, who will benefit from reducing tariffs. The other group is composed of those who want to block imports, that is,

the small domestic producers. These people will be at a disadvantage. I don't know what the actual consequences will be for these two groups. We will probably have to wait four-five years before we can tell.

Looking at the distribution of goods in the agricultural sector, if tariffs are reduced too quickly, that will give the other ASEAN countries an advantage over us. The Philippines, Malaysia, Indonesia, and Thailand all produce very similar types of goods. Most are processed goods from agricultural products. We must negotiate on what will be done now and what will be done later. I think that this depends on our foreign policy and on the ability of the government to choose goods that can be negotiated so that we aren't put at a disadvantage. If we think that we have a definite advantage, such as in the case of palm oil, if we reduce [tariffs] we must have budget funds to provide support.

I don't think that we can tell yet what the advantages and disadvantages will be for sure. That's difficult to determine. You have to look at each item. In general, during the next 15 years, reducing tariffs should, in theory, benefit each country. That is the theory. But in reality.... Japan, for example, is a highly developed country but it still protects goods. In another four years, South Korea will be an industrialized country, but it still protects things and reveals very little.

[Yuphin] Regarding the AFTA goods, on which goods do we have an advantage and on which goods are we at a disadvantage, and what is the reason for the advantage or disadvantage?

[Chaiyawut] Thailand has an advantage with respect to the industrial goods that we have been producing for a long time, such as cement. And I think that we will have an advantage in electronics goods. In principle, markets for these goods should expand in ASEAN. There are production sites in several countries. As for vehicles and the chemical industry, these goods can be produced in the country and exported to another country. We should have the advantage here because ASEAN markets are very broad. There are places where we enjoy considerable control. Most of these are food and food processing industries so that this does not affect the poorest people in society, farmers, and people in certain industries. Normally, we don't want to compete with low productivity industries that don't have a chance to grow. Those are not like the vehicle and cement industries and certain service industries such as hotels and banks. Those industries have raised their productivity. They use computers and telecommunications. They have increased their efficiency more than the food industry or agricultural sector. It will take 10 years to raise the level of productivity. We have been trying for 30 years but have not succeeded.

Everyone in the agricultural sector will be placed at a disadvantage. This includes necessary items that depend on nature. No one can predict the weather. And these are often places that produce food for poor people. This is because ASEAN has implemented a policy of cheap food. Those in the tin, rubber, and steel sectors might

experience difficulties. We will have to provide protection, because we have to import items. The iron that we bring in for processing is purchased from Brazil. We won't have a chance to do this. If we really want to do this, we must provide protection, and we must have industries that will use the steel. Take South Korea, for example. Their steel industries have invested huge amounts. But they have invested along with the ship-building industry. If our steel industry expands, we will have to compete against them, and tariffs will have to be reduced as called for in the agreement.

As for palm oil, in general, we shouldn't produce this, because we can't beat them. But that is the belief of southerners who don't know what else to do. The people in the south live near Malaysians and the climate is similar to that in Malaysia. Because of the small scale of our activities, production costs are high.

Actually, who will benefit and who will lose is an individual matter that is very difficult to measure. Suppose that a person who owns shares invests in ASEAN. ASEAN's general policy is to support investment between neighboring countries. Investment means owning shares. We all know that our politicians are also businessmen. They will also engage in business activities, and so it isn't clear if these policies are for the party or if this is aimed at share manipulation or at using party money for investment. That should be clarified. But we can talk about personal matters that are in accord with ASEAN's policy even if they may not be appropriate and even if there may be some collusion. But who will benefit is another matter. [passage omitted]

[Yuphin] What do you think of the Chuan Likphai administration's policy regarding AFTA?

[Chaiyawut] I think that this is an appropriate policy in terms of the time and situation. The question is how prepared we will be. Are we prepared to help the poor people in the country? Because a policy of opening the country hurts the poor. It is the wealthy in the export industries who will benefit. Our country does not have any laws on having the rich help the poor. We do not have a social insurance policy. We just let people struggle on their own. There are few regulations. The poor are at a disadvantage. The government must give more attention to those who are at a disadvantage.

As for the basic policy of AFTA, I think that in the future, this will be something routine. That is, import duties will be reduced. This will have the approval of the Ministry of Commerce, because it will gain credit for lowering duties. It is the Ministry of Agriculture that will lose. Suppose that the duty on palm oil is reduced. The Ministry of Commerce may say that that it's up to the Ministry of Agriculture to transfer palm growers. The ministers of those two ministries may have different agendas.

As for our foreign policy, besides doing things within ASEAN, we should also turn our attention to third countries. We should not ignore other countries. In particular, the election of a new American president has

great meaning for our foreign policy. Our foreign policy has constantly followed that of the United States. We may have to change course along with them. Now that they have elected a new president, their policy will change, too. For 10-20 years now, we have been talking about changing course and following the economic policy of Europe. We have never followed Europe. We might not be able to keep up. The monetary policies of the ASEAN countries are still independent of each other. The various countries all do what they want and compete against each other. Take becoming involved in Indochina, for example. Actually, that has not been very profitable. Those who have not invested heavily have not gained much. Most have lost money. Only certain groups have profited. If you look closely, you can see who has really benefited (it might be the foreign minister). I am not the only one who has said this. Foreign newspapers have said that certain ministers are engaged in business deals with Indochina. It may be that these newspapers are printing stories about things that happened in the past. I am not certain about that.

[Yuphin] What are the problems and obstacles facing AFTA? Which countries stand to gain and which ones stand to lose? What should Thailand do to solve the problems?

[Chaiyawut] If this government is stable, that is, if it remains in office for four years, there probably won't be too many obstacles. There may be problems having to do with reducing tariffs. There is nothing in place to support those who have suffered from this. This could cause confusion and have political consequences. This is something about which we must be careful. That could weaken the political base. So far, nothing has been done. We don't know what the obstacles are. We will probably have a better picture of things within the next five years. But overall, things should improve. We lost a little during the time of the Suchinda administration, which announced that Thailand wasn't ready to open up. That tarnished our reputation. We can't go back on our word, because that is an international agreement.

The countries that stand to gain and to which we must pay special attention are Malaysia and Indonesia. We are direct competitors of those countries. At the moment, we are at a disadvantage. Because our political situation is not good, our economic position has deteriorated, too. Indonesia is secure, but it has more poor people than Malaysia. Its population is larger by more than 100 million people. But politically, they can be called a dictatorship. Most of the Asian countries are dictatorships, meaning that there are rather limited freedoms. Their economy has made good progress, and they have managed to keep pace with events. As for Malaysia, when we went into a decline, things in Malaysia improved greatly. There is competition between Thailand and Malaysia and so when Thailand staggered, Malaysia immediately took advantage of that. Many of the companies that had contacted our Board of Investment abandoned the Board of Investment during that period and invested in Malaysia instead.

Costs here are still lower than in Malaysia, and our policies are somewhat more open in that we do not have ethnic problems. But we do have certain disadvantages. Even though costs are lower here, it is difficult to find workers. The general educational standards of our people have not developed. They have the advantage in this respect. That is, they can find knowledgeable, skilled people who can work with various companies, particularly Japanese, Taiwanese, and Korean companies, which require a rather high level of responsibility. In Asia, training people is different from in the United States. Companies invest huge sums to train people. Japan, for example, invests large amounts in training people. Thais have invested a lot in training people. Actually, what we learn at the university has to be relearned, because at the university, all we learn is theory. People have to be retrained all the time. There is no loyalty and so people frequently change jobs. This is a major problem in Thailand. Malaysia and Singapore have solved this problem. Their people are quite efficient, and they have rather high educational standards. Singapore, for example, ranks No. 1 in the world in mathematics competitions and No. 1 or 2 in technology competitions. This is very important. Sometimes, we don't want cheap items. Instead, we want expensive things. And there are other problems, such as the lack of telephones, water, and public services and government corruption. These things, added together, put us at a disadvantage. Thus, the goal should be to develop people. We have not invested in education and so Malaysia has the advantage, because it is next to Singapore. And they feel that they have similar ethnic backgrounds. Malaysia, Singapore, and Indonesia are all very close to each other. They do things together. Actually, Thailand is outside their circle and can't participate with them. At ASEAN meetings, for example, Indonesia feels that it is more important and should have greater influence.

This problem will be difficult for us to solve unless we start developing things and accept the truth. It's not true that we have many people and large resources. The fact is, we must look and see how others view us. We must see how our neighbors have developed. Malaysia does not view Thailand as a country with which it should associate. Take tourists who visit Hat Yai, for example. Malaysia is trying to prevent them from coming here. Some people have AIDS. Thus, we must be very careful. It's very clear that they are trying to put pressure on Thailand, because we are a direct competitor of theirs. People in southern Thailand want to go live in Malaysia, because our country is too open. As for whether this is good or not, even countries that are more developed than Thailand are still closed. But we have opened up the country. We have a large number of younger people who have become very wealthy. But our wealthy people have not been properly educated and so they are not frugal, or they do not use their money to invest in things that will benefit the country as a whole. Instead, the money is invested in services and tourism.

Senior, Local Officials Debate Sanctions on KR

Bank of Thailand Deputy Governor

93SE0081A Bangkok SIAM RAT THURAKIT in Thai
24 Nov 92 pp 7, 8

[Excerpt] [passage omitted] Mr. Roengchai Marakanon, the deputy governor of the Bank of Thailand (BoT), talked about the possibility of the United Nations imposing sanctions on the Khmer Rouge [KR] by having Thailand close the Thai-Cambodian border. He said that that will not affect our policy of helping Thai commercial banks open branches in the Indochina countries. This is because assurances have been received from the central banks of those countries, and the United Nations has acknowledged this. We will continue to implement the policy of supporting the opening of Thai commercial bank branches in Indochina. This is because the BoT feels that if Thai businessmen invest there from the very beginning, they will have a chance to earn large profits, particularly from exports in the future, if those countries can produce more goods themselves and the developed countries do not impose the same protectionist measures on them that they have on Thailand.

Mr. Roengchai said that if the Thai-Cambodian border is closed, this will affect the revenues that Thailand earns from border trade. But this shouldn't have too great an effect on Thailand. This will, however, have a great effect on the people in Cambodia, because most of the goods sold in Cambodia come from Thailand.

Mr. Roengchai said that as for the problems that have arisen in border trade between Thailand and the Indochina countries, the policy of the BoT is to reduce the amount of money that can be taken into those countries. At present, people may take out 250,000 baht each time. Those countries are afraid that the role of their currencies will continue to decline, because the baht plays a very important role in border trade. Thailand has told the governments of the Indochina countries that they should take quick action to strengthen and increase the importance of their currencies.

Prachinburi, Trat Trade Officials

93SE0081B Bangkok NAEON in Thai 24 Nov 92 p 7

[Excerpt] [passage omitted] "I think that that claim has great merit in view of the fact that Thailand is a front-line country. But on the other hand, businessmen in the provinces that border Cambodia stand to lose huge amounts of money, not just 100-200 million but billions of baht if we add the losses of all the businessmen operating along the border from the eastern border to Sisaket and Surin."

That is the view of Mr. Amarit Phunsawat, the president of the Trat Chamber of Commerce, who has expressed his views very clearly and frankly. This is because the losses will be huge. And there are others who have expressed views opposing the promulgation of such a resolution.

"In Trat Province alone, there are five logging companies that are doing business in Cambodia. But from what I know, only two are heavily engaged in such business activities. As soon as reports appeared stating that the border would be closed, the timber merchants rushed to bring timber into the country, and they brought in large amounts. As a result, our trade deficit with Cambodia has reached 198 million baht. If we keep bringing in more and more timber like this, the deficit will continue to rise."

Mr. Wairak Wilairat, a businessman in Trat Province, talked about trading activities between Trat and Cambodia in the past period. He said that besides that, recently, Cambodia has been importing very few goods from Thailand. In the past, Trat had many goods that Cambodia wanted. But today, there are only two-three things that they want, such as motorcycles and vehicle parts.

Mr. Bunsong Somchai, the president of the Prachinburi Chamber of Commerce, said that if the border really is closed, the businessmen who trade with Cambodia will go bankrupt, because these people invested in this just recently. Business activities include construction, logging, gemstone mining and other mining activities. This does not include daily trading activities. Usually, about 2,000 merchants came to Aranyaprathet each day. But now that there are rumors that the border will be closed, trading activities have declined greatly. [passage omitted]

Chanthaburi Trade Official

93SE0081C Bangkok MATICHON in Thai 20 Nov 92
pp 1, 21

[Excerpt] [passage omitted] Mr. Pracha Phongsopha, the president of the Chanthaburi Chamber of Commerce, said that he hadn't heard the reports that the Khmer Rouge will protect Thai businessmen. The fact that the Khmer Rouge has confirmed that businessmen can continue carrying on activities is a sign concerning the Cambodia problem, but it won't be easy to solve this problem. The Khmer Rouge will probably refuse to take part in the election or live under a Cambodian government. He said that he hopes the problems will be solved. The Khmer Rouge should participate in the election.

General Wimon Wongwanit, the Army commander in chief, talked about the fact that businessmen who operate along the Thai-Cambodian border are planning to stage a rally on 23 November to protest the closing of the border. He said that the decision is up to the government. The military is just the tool of the government. If this is considered proper and a policy is issued, the Army will implement that policy. Businessmen can ask that things be relaxed, but that is up to the government. This could affect the Thai Military Bank, which has set up a branch in Cambodia, but the effects shouldn't be too great. People will be allowed to carry on trading activities for the time being. As for what will be done, we must consider the well-being of the people of the entire country and give attention to both internal and

external security. He said that he is ready to implement whatever decisions the government makes.

A report from the Ministry of Foreign Affairs stated that during a meeting between Squadron Leader Prasong Sunsiri and border merchants on 18 November, after the merchants were told that it seems quite likely that the border will be closed, the merchants expressed great concern about their business activities, which could be seriously affected. Timber merchants were particularly concerned.

A news source said that during talks with the merchants in the Khmer Rouge zone of influence, the merchants said that they have never had any problems with the Khmer Rouge. The Khmer Rouge have acted honestly in logging and gemstone trading activities. Unlike some Thai merchants, they have never exploited people or become querulous. Also, the Khmer Rouge are secure and firm. [passage omitted]

Spokesmen for Business Interests

93SE0081D Bangkok MATICHON in Thai 19 Nov 92
pp 1, 21

[Excerpts] [passage omitted] In an interview, Mr. Somsak Techaphisan, the vice chairman of the Cambodia Development Committee, said that closing the Thai-Cambodian border will have a great effect on investment. But this will not have much of an effect on granting credit to Thai investors. Very little credit is being extended, because the investment risk is still very great and land assets are not secure. Thus, loans are not being given unless the person has assets in Thailand. However, the potential losses can't be estimated at this time.

Mr. Somsak said that 46 banks have asked permission to establish branches in Cambodia, but to date only 10 have been able to open branches. Most of the branches are branches of Bangkok Bank, the Krung Thai Bank, the Thai Commerce Bank, and the Thai Metropolitan Bank. These banks probably won't be affected very much, because they are engaged in joint investment activities with the Phnom Penh government. However, private investors who have invested there will have to wait and see what the government does.

Mr. Prasert Bunsamphan, the deputy manager of the Oil Business Group, Petroleum Authority of Thailand, said that we are selling only about 1-2 million liters of oil a month to Cambodian companies on Ko Kong. If the border is closed, we must consider which sections of the resolution are those of the United Nations and which sections are those of the government, to which the Petroleum Authority of Thailand must adhere. However, oil is not shipped across the Khmer Rouge-controlled part of the border. [passage omitted]

Mr. Somchai Niyomkit, a Democrat party MP [member of parliament] from Chanthaburi Province and a major gemstone trader along the border, said that the government should give attention to the problems of businessmen who trade with Cambodia. If the border is

closed, the problem with Cambodian bandits will increase, because we will not be able to send consumer goods into Cambodia. In any event, negotiations should be held to preserve the existing concessions without having to submit new bids after the border is reopened and elections have been held in Cambodia.

"The companies that were granted gemstone mining concessions in Cambodia have now pulled out all their equipment and are considering looking for new concessions in Burma and India. As for my company, if the border is closed, I stand to lose 3 billion baht. I have invested mainly in the Khmer Rouge zone rather than the Khmer Serei zone," said Mr. Somchai.

The reporter said that because of Thai business activities, the Khmer Rouge doesn't want to lay down its weapons and so it is difficult to bring democracy to Cambodia. Mr. Somchai said that that is not true, because businessmen have been carrying on activities for a long time. The question is, Why can't the United Nations reach an agreement with the Khmer Rouge leaders? And why can't it find a way out for the Pol Pot and Heng Samrin groups? He admitted that trade is the reason why the Khmer Rouge doesn't want to lay down its weapons. However, Thai businessmen must be treated fairly, too. "Thailand is the main artery of the Khmer Rouge. There is no way to escape this," said Mr. Somchai.

Mr. Sophon Kosuya, the owner of the Pailin Rungroi Logging Company, said that he has invested 100 million baht in Cambodia. If the border is closed, he will suffer a great loss. Besides this, there are another 12 companies in his group that stand to lose as much as 1.5 billion baht. He thinks that if the border is closed, there will be a shortage of timber in Thailand, because the forests in Thailand can't be opened. At the same time, Thailand needs 15 million cubic meters of timber a year. The government should ask the United Nations to postpone closing the border for one year.

Mr. Sophon said that from talking with Khmer Rouge military commanders, he has learned that if the United Nations tries to punish the Khmer Rouge by closing the border with Thailand, Cambodia will accept that. But if it also tries to close the border and prohibit trade with Vietnam, Cambodia won't accept that. Besides this, in the coming election, the Khmer Rouge must be allowed to participate in surveying those who have the right to vote. The Khmer Rouge wants to cooperate with the Supreme National Council (SNC). But it feels that it has been placed at a disadvantage and so it has refused to lay down its weapons. Senior Khmer Rouge leaders have confirmed that they have readied forces and weapons to defend themselves if the United Nations takes resolute action.

A reporter reported that based on an examination of the Thai-Cambodian border trading situation as of 18 November, at the Phak Kat checkpoint near Village 6, Pong Nam Ron Subdistrict, Pong Nam Ron District, Chanthaburi Province, which is a temporary border

transit point between Thailand and Cambodia, trade is still very brisk for both Thai and Cambodian merchants. Most of the items traded are forest products, gemstones, and consumer goods. As for gemstones, Thai merchants purchase at least 10 million baht worth of gems each day from Cambodians. [passage omitted]

Khmer Rouge Treated Unfairly

93SE0081E Bangkok DAO SIAM in Thai 12 Nov 92
p 8

[Excerpt] [passage omitted] Mr. Phunsawat Mulasatsathon, a New Aspiration Party MP [member of parliament] from Surin Province and the former secretary to the minister of foreign affairs, talked with a DAO SIAM reporter about the Khmer Rouge problem. He said that matters must be considered very carefully to determine who is right and who is wrong and which countries are really profiting from the Phnom Penh government. Both Japan and Singapore are now building large, modern sawmills there to produce timber products for export to their countries. Thus, those two countries are doing everything possible to make the world think that Thailand is playing an important part in keeping the Khmer Rouge strong.

The MP from Surin Province said that Thais know what is really going on in Cambodia. Khmer Rouge leaders used to attend the meetings. But they were attacked by people in Phnom Penh. No one there would accept them. At the same time, about 500,000 Cambodians in the central and northern areas are Vietnamese who became Cambodian citizens. The Khmer Rouge leaders and Cambodians in general are well aware of this. But the United Nations has never been informed of this, because those responsible for sending reports and coordinating things in Cambodia are interested in making profits.

Mr. Phunsawat said that the Khmer Rouge are probably the only real Cambodians left. The Cambodians in the central and northern regions are actually Vietnamese who changed their citizenship during the time that Vietnam occupied Cambodia. Moreover, Vietnamese troops still occupy the northern area of Cambodia. Thus, the Khmer Rouge, who consider themselves to be real Cambodians, refuse to cooperate with the Vietnamese who have taken Cambodian citizenship.

When asked if it will be possible to solve the problems, Mr. Phunsawat said that as long as people continue to treat the Khmer Rouge unfairly, there won't be peace in Cambodia. As for people condemning Thailand for trading with the Khmer Rouge, if we actually do trade with them, who is going to condemn us? Because during the time that Thailand fought the communists, Singapore, Malaysia, and Japan all traded with them by selling goods to Vietnam, items that Vietnam used in fighting Thailand. But we never complained about anyone. Or will they deny that, said Mr. Phunsawat.

Governor, Local Businessmen Comment

93SE0081F Bangkok NAE0 NA in Thai 19 Nov 92
pp 1, 10

[Excerpt] [passage omitted] Mr. Banchong Kantawirul, the governor of Prachinburi Province, said that the government will have to consider the suitability of closing the border. If the government orders the border closed, we will have to comply. The provincial chamber of commerce is waiting for the order. But we have to give primary consideration to the interests of the nation and our national sovereignty. There will be problems in implementing this, because the Thai-Cambodian border along Ta Phraya, Aranyaprathet, and Khlong Hat districts is 165 km long. We can't station forces all along the border to prevent people from crossing the border. From Ubon Ratchathani Province to Trat Province, the border runs for more than 800 km. We can't interdict people the entire length of the border. There are about four or five timber trading points where activities are still being carried on.

Mr. Somchai Niyomkit, a Democrat Party MP [member of parliament] from Chanthaburi Province, said that the companies that were awarded gemstone mining concessions have begun to withdraw their equipment. They will probably be able to obtain concessions in Burma and India. At the same time, Thailand still has areas reserved for mining gemstones in Soi Dao District and certain areas of Trat Province. We must make use of these areas. However, the problem facing the companies is what to do with their 100,000 workers, of whom about 70,000 are Thais, with the rest being Mons and Karens. Unless jobs are found for them, crime may increase again. He said that his company stands to lose 3 billion baht. Total losses will be very great, because more money has been invested in the Khmer Rouge zone than in the Khmer Serei zone. If the border is closed, Bo Rai and Khlong Luk districts in Trat Province will become deserted.

Mr. Phichet Kanchanasutthisaeng, the deputy manager of the Sawannaphruk Sawmill, which was awarded a concession to fell 8,000 cubic meters of timber in the Khmer Rouge zone of influence, said that to date, the company has brought out only 20,000 cubic meters. If the government does not allow investment in Cambodia, the company will lose about 100 million baht. More than 50 dependent companies will definitely be affected. The government should hold talks to postpone closing the border for another six months in order to reduce losses.

Mr. Somphong Arundet, the owner of Surin Thanaphong Company Ltd., said that the company, which is carrying on timber operations along the border in Sisaket Province, has invested more than 300 million baht. If the border is closed, various companies stand to lose several billions of baht. The reason for closing the border is that Japan is using the United Nations to put pressure on Thai companies so that Japanese, Korean, Singaporean, and Hong Kong companies can invest in the Khmer Rouge zone and, in particular, build sawmills that use a computerized system. He has informed Squadron

Leader Prasong Sunsiri about this. But Squadron Leader Prasong simply advised him to be prepared. At the meeting, it was agreed that the issue of closing the border will have to be delayed as long as possible. If the border is closed, it is those groups that will profit. It is Japanese investors who are behind the actions taken by UNTAC [United Nations Transitional Authority in Cambodia].

Further on Governor's Reactions

93SE0081G Bangkok MATICHON in Thai 22 Nov 92
pp 1, 15

[Excerpts] [passage omitted] At 1320 hours on 21 November at the Chanthaburi provincial headquarters building, Squadron Leader Prasong Sunsiri, the minister of foreign affairs, General Charan Kunlawanit, the secretary general of the National Security Council, and 60 representatives from the ministries of interior, defense, and foreign affairs met with the governors of the seven provinces that border Cambodia, that is, Ubon Ratchathani, Sisaket, Surin, Buriram, Prachinburi, Chanthaburi, and Trat provinces. They met to discuss the problems in the area, particularly the matter of the United Nations punishing the Khmer Rouge for not adhering to the peace plan by closing the Thai-Cambodian border, which will affect border trade. The meeting lasted two hours.

After the meeting, Squadron Leader Prasong said that those at the meeting discussed ways of solving the problems of the people and businessmen who will be affected by the UN Security Council's resolution to punish the Khmer Rouge. He said that he listened to the problems described by the governors of these seven provinces, and he explained the policy of the government, which will have to cooperate and implement the UN resolution as long as this does not conflict with the sovereignty and laws of Thailand. He asked the governors to look for ways to reduce the trouble that this will cause people, which is their direct responsibility.

Squadron Leader Prasong said that data obtained from the public and private sectors will be used to help the people concerned as much as possible. On 22 November, he will visit trading areas along the border and areas used to transport logs and talk with people in these areas. As for whether trade with the Khmer Rouge along the border will continue, the government can't order or force people. That is up to the people to decide. But he said that he has asked local officials to reveal as much information as possible to the people regarding the risks involved in trading with the Khmer Rouge in the future.

Squadron Leader Prasong said that it isn't known which Cambodian faction will form a government. Once a Cambodian Government has been formed and recognized by the international community, Thailand will engage in government-to-government trade, which is in accord with the law. In areas where trade is prohibited with Cambodians who have declined to cooperate with the government, Thai traders will face great risks. [passage omitted]

Mr. Wimon Phuangthong, the governor of Chanthaburi Province, said that he has asked the government to consider the matter of the timber that is still in Cambodia and see if there is any way that the [closing of the border] can be postponed so that all of the timber can be brought out. Also, the Thai gemstone merchants who have invested 1.8 billion baht in the Khmer Rouge zone have not yet been able to get their money out. Thus, he has asked that merchants be allowed to continue trading with the Khmer Rouge another four years. Also, is the government going to help the 3,000 workers who have been hired to mine gemstones? The minister of foreign affairs simply listened to these problems, but he did not say what steps would be taken to provide help.

Mr. Wimon said that the foreign affairs minister asked them to disclose information on the risks involved in trading with the Khmer Rouge, which should help to answer some of the questions that people who live along the border plan to raise at a demonstration on 23 November. If people do hold a demonstration, he will facilitate things, because the people just want to express their views.

Rear Admiral Trirat Chamanan, the deputy commander of the Chanthaburi-Trat Border Defense Force, said that the military is concerned about those engaged in trade along the Thai border. However, the military must carry out its duty and will check everyone who passes the checkpoint. They will be checked to see if they are carrying war weapons or narcotics. And vehicles must be checked very carefully, because large numbers of vehicles are being smuggled into Cambodia and sold there.

Rear Admiral Trirat said that if the United Nations does pass a resolution prohibiting trade with the Khmer Rouge, the result will be an increase in robbery and smuggling. This is very worrisome. Officials will have to work harder. The existing military forces are not adequate, and the number of troops is being reduced. So far, there is no fighting in Cambodia. The present situation is still stable. If fighting does break out, that will not affect Thailand, because at present there are no opposing forces within 120 km of the Thai border.

Mr. Pramuan Nitiwattana, the chairman of the board of the Sapkit Tawan Ok (1981) Company Ltd., which is involved in gemstone mining activities in Pailin District in Cambodia, said that the company is still carrying on mining activities as usual. Khmer Serei forces are providing good protection. His group has never had any problems with any faction, because it associates with all factions. He has invested 40 million baht in gemstone mining operations, and things have just gotten underway. Thus, he hopes that the government will extend the period. Thais are now operating 48 gemstone mines, with investments totaling approximately 2 billion baht.

Finance Minister on Policy, Stock Exchange Issues
93SE0051B Bangkok THAI RAT in Thai 9 Nov 92 p 7

[Interview with Finance Minister Tharin Nimmanhemini by Saifon Khamkling; place and date not given]

[Excerpt] [passage omitted] [Saifon] What will the policy of the Ministry of Finance be during this period?

[Tharin] The main problems that must be handled in a balanced manner include: 1. the shortage of public services, 2. the traffic problem, 3. the transportation problem, 4. the environmental problems, and 5. political development. The old policies that were good will be kept. That includes having a free economic system, promoting exports, building an industrial base, and improving things on the educational, economic, and social fronts.

Some of the urgent tasks of the Ministry of Finance include implementing the projects stipulated for fiscal year 1993. There is the project to build a four-lane highway. We are studying this to see if this should be structured as a special project for which money will be borrowed from foreign and domestic sources. If this is carried out using budget funds only, it will be very slow. And it's unlikely that anyone in the private sector wants to do this, because profits are very small. This will probably cost several tens of billions of baht. The initial studies have shown that building new highways costs 50 million baht per km. Something else that is important is that the International Waters Development Project is looking for clearer methods.

[Saifon] What action has been taken in distributing income to the rural areas?

[Tharin] Short-term measures include finding measures to prop up the price of agricultural crops. Another 1 billion baht has been earmarked for this. The original budget for this was 6 billion baht. The national bank and the Bank of Agriculture and Cooperatives are providing another 5 billion baht by giving low-interest loans. And the Ministry of commerce is looking for a way to help the farmers sell their rice. As for long-term income distribution, we are studying things and may use tax measures for poor people. Also, we must ensure that the incomes of government officials are equivalent to those of people in the private sector.

As for helping the private sector expand production capacity in the provinces, that includes 1. investment promotion and 2. encouragement and support from state banks, such as the Krung Thai Bank, the Government Savings Bank, and the Government Housing Bank. We will monitor things to see how much the state banks increase the amount of credit extended.

[Saifon] Is a policy of having the Securities Exchange provide help included in the plan?

[Tharin] We will stress having "regional boards." The promotion line of approved securities is different from that of registered securities. This should get underway in another two months. As for mutual funds, we may allow regional funds to be established. That is, money collected in the capital will be distributed to the rural areas. All seven funds will be structured in such a way so as to mobilize savings for distribution

to the countryside. As for allowing finance companies to open branches in the provinces, they will be allowed to open branches everywhere. The Ministry of Finance will help monitor competition and the extension of credit.

These things will facilitate credit activities rather than stimulate savings in the provinces or step up investment using capital from Bangkok. We also hope that the commercial banks will give more attention to provincial markets. As for establishing provincial banks, I don't think that that is necessary. That will take a long time.

[Saifon] The government's policy is to provide help using tax measures. What preparations have been made?

[Tharin] The Ministry of Finance has prepared support funds and is monitoring things closely. The good things that have been done will be continued, including implementing the AFTA [ASEAN Free Trade Area] agreement and revising the value-added tax system. In particular, attention will be given to tax rebates and inconsistencies in customs duties. In some cases, the government may have to implement special policies.

I can't say if we will have to revise income taxes for individuals and legal persons. We have to see if things are in accord with the economic system in general. Thailand has a free economic system. There must be capabilities and competition. The tax system is one incentive. But I think that present tax rates are quite good.

As long as I am minister of finance, taxes won't be raised. As for lowering taxes, I think that the emphasis will be placed on income distribution instead. But I can't say at this time. This must be kept secret. This also includes solving the savings problem. Taxes may be reduced on some things, but not all. The main duty of the finance ministry is to implement tax measures that will support the policies of the state.

[Saifon] What measures have been implemented to deal with share manipulation on the Securities Exchange?

[Tharin] I have ordered the "K.L.T." to focus on strengthening stock market discipline. The Thai stock market should focus on quality rather than quantity. The quality of the goods sold on the markets must improve, too. As for present price fluctuations, I can't say anything, because demand is like that. That is not fair to those who lack data. The stock market must achieve greater balance. But I can't say what form that will take.

[Saifon] Many people have said that the "K.L.T." and the Securities Exchange lack resolute measures that can be used to punish violators.

[Tharin] We have to look at many factors all at once. We can't look at just a few specific things. The Securities Exchange has begun to develop. That is a fact. Monitoring the activities of small investors is a good principle. At the same time, small investors must consider their investments, too, and not invest blindly. They must think like the major investors, who are real investors. Sometimes, protection measures may not be necessary. But if people play the stock market for fun, they are not long-term investors. I can assure you that if someone commits a crime and there is sufficient evidence against him, we will definitely punish that person in accord with the law. [passage omitted]

MILITARY

Vice Minister on Troops' Living Standard, Pay

932E0030B Hanoi QUAN DOI NHAN DAN
in Vietnamese 9 Oct 92 pp 1, 4

[National Assembly Deputies Replying to People's Opinion column by Senior Lieutenant General Nguyen Trong Xuyen, vice defense minister and National Assembly deputy, Ninh Binh Province: "Standard of Living and Army Policies Need To Be Institutionalized by Government Legal Documents"]

[Text] 1. About Present Troops' Standard of Living

Implementing the resolution adopted at the 11th session of the Eighth National Assembly and thoroughly understanding the resolution of the Third Plenum of the CPV [Communist Party of Vietnam] Central Committee on national defense and security, the chairman of the Council of Ministers (now premier elected by the Ninth National Assembly) listened to a Ministry of National Defense report on the national defense budget, the issue of ensuring the standard of living of troops, technology and equipment and machinery, and the policies affecting the Army. After having carefully considered them, the Council of Ministers adopted many solutions in favor of the Army, including a decision to raise the 1992 national defense budget. The Ministry of Finance released the budget in time; price compensations were close to market levels; price changes were minimal. On the other hand, unit leaders and commanders maintained tight management, and sources of production increases received additional allowances; as a result, the living conditions of troops became more stable, with the units where the movement to increase production worked well definitely scoring some improvement in their standard of living.

As to the units that were stationed on Spratly Islands and the southwestern border and the units that were assigned special tasks, their living conditions were less difficult than in previous years because supplies were being sent to them in sufficient quantities and in time.

In the time to come, on the basis of the resolutions of the party and National Assembly and the program of action of the government during the term of the Ninth National Assembly, which clearly state that we "take care of the living conditions of members of the Armed Forces," we would like to propose that the government institutionalize by means of legal documents the commitment to ensure the standard of living of troops and the policies affecting the Army.

2. The Issue of Troops' Pay

The Army has the honor to be the hard-core force in the strategic task of defending the fatherland, which is one of the two strategic tasks of Vietnam's revolution today. The laws on VPA [Vietnam People's Army] officers, on the draft, and most recently on organization of the government all grant priorities to the Army. Therefore, in the issue of troops' pay, we must affirm that troops are

granted preferred treatment because the labor provided by the Army is indeed very special and its members are ready to accept and fulfill any tasks that the party, National Assembly, government, and the people assign to them in order to maintain national independence, sovereignty, and territorial integrity and to defend the fatherland. The great majority of officers do their work away from their families; a number of specialized officers and military personnel, and national defense workers and civil servants must do their work and be stationed in remote jungle and mountainous areas where it is difficult to reach. The troops' pay thus has to be set at higher levels and to include battlefield bonuses. We propose that the government soon revise the pay system and adopt supplemental policies to grant preferred treatment particularly to retired cadres, wounded and sick soldiers, families of dead soldiers, specialized officers and military personnel, and national defense workers and civil servants.

The Army, on the one hand, must support our troops both materially and spiritually, at the same time take care of and maintain equipment and weapons, and seek every means to study and carry out the making of weapons of all kinds so as to become self-sufficient and to be able to fulfill its task of defending the fatherland. On the other hand, the Army must also deal with the aftermaths of war.

At the first session of the Ninth National Assembly, many delegations of deputies and the Vietnam Fatherland Front expressed the following opinion: In the present situation in the world, there are complicated changes; therefore, we must strengthen national defense, maintain security, care about building the Armed Forces to make them strong in all fields, take care of the standard of living of cadres and soldiers, properly implement the Army's rear area policy, consolidate and strengthen the Army-people solidarity, and ensure that the Armed Forces operate under favorable conditions to fulfill all their tasks under any circumstances. Our Army, which the party and Uncle Ho had been caring to build, has always maintained and displayed the traditions of overcoming difficulties and brilliantly fulfilling all of the tasks assigned to it by the party, National Assembly, government, and people.

ECONOMIC

Volvo Plans Major Move Into Country

93SE0083B Hanoi VIETNAM INVESTMENT
REVIEW in English 23-29 Nov 92 p 19

[Article by Yen Hung]

[Text] Volvo Truck Corporation, the well-known Swedish manufacturer of heavy duty trucks, confirmed its long-term presence in Vietnam when it sponsored a seminar and exhibition of Volvo products in Hanoi last week.

Volvo trucks have been used in Vietnam for more than a decade. Further deliveries of trucks are planned by the end of this year, primarily of the NL10 and FL618 truck models.

"As a basis for a wider use of Volvo trucks over all of Vietnam, Volvo is making plans for improvement in its service activities and parts supply in the country," said Mr. Jan Lindh, managing director of Barken trading Indo-China Ltd, an affiliate company specialising in Volvo truck dealing with Vietnamese consumers.

Mr Lindh suggested that Volvo can offer "not only truck transport solutions but perhaps even more important, optimised solutions for efficient bus transport in metropolitan areas."

Recently, Volvo has started to study bus projects for Hanoi and other urban areas in the country. Feasibility studies have been believed to be carried out by Volvo specialists.

"Volvo trucks have been delivered to Vietnam since the 1970's," recalled Mr Lindh. "Volvo trucks are being used as transport tools in Vietnam. Even today, these trucks make a valuable contribution to the Vietnamese infrastructure."

Mr Jan Lindh said that his company has formulated a plan to supply parts and service skills to the operators in Vietnam.

"In November of 1992, a new batch of Volvo trucks is arriving in Vietnam, together with specialists from Volvo who will participate in the mutual work of building a better infrastructure."

Volvo Truck Corporation offers a range of trucks for every medium-duty or heavy-duty application.

Volvo is the second largest heavy truck manufacturer in the world. Since 1928, a growing number of trucks have been produced and marketed. Annually more than 50,000 trucks are sold worldwide, to approximately 100 countries.

Joint South Korea Trade on the Rise

93SE0082B Hanoi VIETNAM NEWS in English
21 Nov 92 p 1

[Text] Trade turnover between Vietnam and South Korea is expected to increase 46.3 percent, to 351 million US dollars this year, according to Korea Trade Promotion Corporation (KOTRA), a non-profit government agency in South Korea.

KOTRA, which is to open a representative office in HCMC on Monday, said the amount included 51 million dollars from import value and 300 million dollars from exports to Vietnam.

Compared with the 76 million recorded in 1988, the figure showed a remarkable growth in bilateral economic cooperation.

This cooperation, according to KOTRA officials, has been on the rise since South Korea and Vietnam signed

an agreement on mutual installation of representatives in late April. By August, 15 South Korean investment projects had been licensed, with total capital investment amounting to 147 million dollars and accounting to 4.3 percent of all foreign investment in the country. That Vietnam is a potential market is proved by the presence of almost all major companies from South Korea, said KOTRA officials.

In an effort to further promote this increasing two-way trade KOTRA will enlarge its activities by setting up a representative office in HCMC. KOTRA, acting in conjunction with the Vietnam Chamber of Commerce and Industry, will also help organise "Korea Products Show '92" in Hanoi from Nov. 20-24, with the participation of Samsung Co. Ltd., Hyundai, Daewoo and 16 other South Korean companies.

The exhibition will be an excellent occasion for South Korean and Vietnamese companies to better understand each other and further strengthen their trade relations and friendship, the exhibitors said.

South Korean Companies Seek More Opportunities

93SE0082C Hanoi VIETNAM NEWS in English
23 Nov 92 p 1

[Text] South Korean companies, after establishing themselves in southern Vietnam, are looking for investment opportunities in the north, especially Hanoi, said a Korean trade official on Friday.

Kim Chul-Su, president of the Korea Trade Promotion Corporation (KOTRA), made the statement at the opening of a large exhibition of South Korean industrial products being held jointly by KOTRA and the Vietnam Chamber of Commerce and Industry at Giang Vo Exhibition Centre.

The exhibition shows a wide range of products from cars, machine tools and stereo equipment to smaller consumer goods such as watches and toys from some 20 big companies including Samsung, Hyundai, Daewoo and Hyosung.

Mr. Kim said South Korea was not influenced by the US economic embargo on Vietnam. "Despite this embargo trade between the two countries has doubled every year," he said.

He said two-way trade in the first eight months of 1992 was worth 334 million dollars and the total for the year could reach 500 million, or double last year's figure.

South Korea, as Vietnam's fourth trading partner after Singapore, Japan and Hong Kong, sells to Vietnam machine tools, electrical goods and chemical products while buying Vietnam's coal, petrol and farm and sea produce.

Still, it is only the eighth largest investor. As Hyundai's General Manager Chun Doo-Yong explained, there are "many difficulties in dealing with less experienced Vietnamese partners." "Mutual trust and a cooperative spirit is the most important thing. If one side just sits down

and waits for one-sided assistance, the other partner will get tired after a while," he said.

Mr. Chun said Hyundai, which is supplying major components to the 500kV transmission line, expected to reach 80 million dollars in import-export activities regarding Vietnam this year.

"If we can find suitable and desirable partners we can expedite business talking and increase business volume at an explosive speed," he told VIETNAM NEWS.

Weaving Industry Resolves To Stay Viable

93SE0082A Hanoi VIETNAM NEWS in English
21 Nov 92 p 2

[Text] Since last July, the weaving industry with a contingent of nearly 400,000 workers has had a hard time confronting a massive influx of smuggled fabrics.

More than 100 billion *dong* worth of domestic textile products remain in store. Turnover registered by textile mills has decreased by 30-50 percent. Several factories and enterprises are threatened with closure.

The Hanoi yarn factory, one of the biggest factories in the country, has had to suspend its production. Meanwhile, the "March 8" textile mill has been unable to sell its goods, leaving its 5,000 workers in a plight. The Thang Long and Dong Xuan knitwear factories, which once worked 3 shifts a day and 7 days a week to fill orders from local and foreign customers, are now finding themselves in tight straits.

In the private sector, thousands of weaving machines have been left aside. Many families with dozens of workhands in Hanoi have sold off their machines and turned to side-line occupations for a living.

The excess inflow of contraband cloth is putting domestic products in a disadvantageous position just at a time when tailoring and dress-making are in high season. This is so despite the fact that the weaving industry has in recent years made great efforts to renovate its equipment and technology to better serve the customers' demand, and that local manufacturers have been able to export large numbers of their garments and fabrics to exacting customers in Japan, Sweden, France and the Republic of Korea.

Yet, right on the domestic market they are losing ground to contraband simply because these goods brought in through a myriad of illegal ways across the border are put on sale at lower prices. For example, a kilo of foreign-made wool sells for 50,000 *dong*, while a kilo of domestic wool costs as high as 65,000 *dong*.

Though some improvement has been achieved since the government issued a ban last September on the importation of 17 items, including textiles, the weaving industry is looking for ways to get out of the plight. On their part, local manufacturers are resolved to invest more money in importing new equipment and technology to make quality products at a lower cost and to diversify their designs to better suit the customers' tastes. But they are also requesting help from the public offices

concerned, especially the customs and security departments, to enforce tighter control on the smuggling of foreign-made clothes and fabrics into the country, hence giving them a chance to stay viable.

Aquaculture Production May Reach \$280 Million

93SE0083A Hanoi VIETNAM INVESTMENT
REVIEW in English 16-22 Nov 92 p 16

[Text] Aqua-culture products exports this year could be worth up to US\$280 million, 11 per cent up from 1991's receipts of US\$252 million.

To the end of October sales of US\$217 had been recorded from 130 processing factories, up from 84 last year. The factories, which belong to the Sea Products Import-Export Company (Seaproduct) and 28 provinces and cities, have a total processing capacity of more than 500 tonnes of finished products per day.

Exports so far are in two main forms: frozen and dried, of which frozen foodstuffs account for 80 per cent. Frozen shrimps alone account for 65 per cent, exported mainly to Asian markets.

The quality of the seafood, and therefore its export value, depends largely on equipment and processing technique which enhance product quality and meet requirements of domestic and foreign markets.

High quality concentrates and dried sea-products have recently been exported to European, North American and Australian markets.

Aquacultural production remains a highly potential area in Vietnam. Current export levels represent 65 per cent of existing capacity, limited mainly by equipment and techniques, particularly for offshore fishing in water deeper than 30 meters.

Land earmarked for raising aquaculture products amounts to half a million hectares, but so far only 35 per cent of this is under production. The seafood industry plans by 2000 to raise as much as 1.6 million tonnes of aquaculture products, worth an estimated US\$1 billion in exports.

Under the plan, processing will be improved to enhance the quality and value of the product, and to present and market them well.

Investment in new equipment and techniques to broaden product lines for export and domestic markets will also be made.

In cooperation with foreign companies, attention will focus on projects which both access new raw materials sources and process catches using up-to-date equipment for a guaranteed market.

Producer initiative in presenting products to appeal to the tastes of foreign markets has seen new seafood items from Vietnam reach the department stores of Europe. Skinned cuttlefish, grilled cuttlefish, cocktail shrimps, and shrimp pie are also selling well in European restaurants.

Stores in Japan, Singapore and Hongkong stock Seaprodex grilled cuttlefish packed in 50 and 100 gram plastic bags. More than 300 tonnes of this speciality are sold each year through these stores.

Seaprodex has also been provided with a production line and a laboratory by the United Nations Development Programme (UNDP) to produce canned food, which is churning out thousands of cans of tuna to international standards.

Seaprodex exports pork pie, boiled and frozen shrimps, stuffed cr4aabs, to France, Germany, Italy, Denmark, Hongkong.

BIOGRAPHIC

Information on Personalities

93P30015A

[Editorial Report] The following information on Vietnamese personalities has been extracted from Vietnamese language sources published in Hanoi, unless otherwise indicated. An asterisk indicates that this is the first known press reference to this individual functioning in this capacity.

Nguyen Manh Cam [NGUYEENX MANHJ CAAMF]

Minister of foreign affairs; he was born on 15 September 1929 in Vinh, Nghe An Province; he joined the revolution in 1945 and spent many years working in foreign affairs; he was ambassador to Hungary, Austria, Iran, the FRG, Switzerland, and the Soviet Union; in August 1991, he was appointed minister of foreign affairs by the Eighth National Assembly; currently he is a member of the CPV [Communist Party of Vietnam] Central Committee; his name was on the list of the new government published in the cited source. (Ho Chi Minh City THOI BAO KINH TE SAIGON 8-14 Oct 92 p 6)

Nguyen Khanh [NGUYEENX KHANHS]

*Deputy prime minister; he was born on 31 March 1928 in Thuong Tin, Ha Tay Province; he joined the revolution in August 1945; he is a Polytechnic College graduate; before being appointed to the above position by the 9th National Assembly, he was head of the CPV Central Office; since September 1987, he has been named vice chairman and general secretary of the Council of Ministers; currently he is a member of the CPV Central Committee. His name was on the list of the new government published in the cited source. (Ho Chi Minh City SAIGON GIAI PHONG 8-14 Oct 92 p 6)

Doan Khue [DOANF KHUEE]

Minister of defense; he was born on 29 October 1923 in Trieu Phong District, Quang Tri Province; he joined the revolution in 1939; currently he is a member of the CPV Politburo; before being appointed to the new government, he was commander and political officer of the 5th Military Region; he was also vice minister of defense, commander in chief of the VPA [Vietnam People's Army] and was promoted to senior general in early 1990. His name was on the list of the new government published in the cited source. (Ho Chi Minh City THOI BAO KINH TE SAIGON 8-14 Oct 92 p 6)

Vo Van Kiet [VOX VAWN KIEETJ]

*Prime minister; born on 23 November 1922 in Vinh Long Province; he joined the revolution in 1938; during the wars against the French and the United States, he took part in leading the resistance in the western Nam Bo and Saigon-Gia Dinh areas and later became one of the leaders for the South; since 1975, he has been Ho Chi Minh City's deputy CPV secretary, CPV secretary, chairman of the People's Committee; since 1982, he has been director of the State Planning Commission, vice chairman of the People's Committee; since 1982, he has been director of the State Planning Commission, vice chairman, chairman of the Council of Ministers (August 1991). He is a member of the CPV Politburo. His name was on the list of the new government published in the cited source. (Ho Chi Minh City THOI BAO KINH TE SAIGON 8-14 Oct 92 p 6)

Nguyen Dinh Loc [NGUYEENX DINHF LOOCJ]

*Minister of justice; he was born on 13 September 1935 in Dien Chau District, Nghe An Province; he began to participate in the revolution in 1953; he spent many years working in the legislative branch and has an M.A. in law; he was head of the Legal Department at the Office of the National Assembly and the State Council; in September 1989 he was appointed deputy director of the Office of the National Assembly and the State Council; in May 1992 he was appointed minister of justice. His name was on the list of the new government published in the cited source. (Ho Chi Minh City THOI BAO KINH TE SAIGON 8-14 Oct 92 p 6)

Tran Duc Luong [TRAANF DUWCS LUWOWNG]

*Deputy prime minister; he was born on 5 May 1937 in Duc Pho District, Quang Nhay Province; he joined the revolution in 1955; he earned an engineering degree in geology and attended an economic management course in the Soviet Union; in September 1979 he became head of the Geology General Department; in February 1987 he was appointed vice chairman of the Council of Ministers; currently he is a member of the CPV Central Committee. His name was on the list of the new government published in the cited source. (Ho Chi Minh City THOI BAO KINH TE SAIGON 8-14 Oct 92 p 6)

Bui Thien Ngo [BUIF THIEENJ NGOOJ]

Minister of the interior; he was born on 24 October 1929 in the 1st district, Ho Chi Minh City; he is a graduate of the Security College; in 1965 he was assigned to the Security Committee of the Central Office of South Vietnam (COSVN); in 1979 he was director of public security; he later became vice chairman of the Vung Tau - Con Dao Special Zone's People's Committee. Since 1986 he has been named vice minister of interior, permanent vice minister of interior and was promoted to lieutenant general; in August 1991 he was appointed minister of interior by the 8th National Assembly; currently he is a member of the CPV Politburo; his name

was on the list of the new government published in the cited source. (Ho Chi Minh City THOI BAO KINH TE SAIGON 8-14 Oct 92 p 6)

Phan Ngoc Tuong [PHAN NGOCJ TUWOWNGF]

*Minister; chairman of the government's Organizations and Personnel Commission; he was born on 12 February 1929 in Dong Hoi town, Quang Binh Province; he earned a degree in economics and engineering; before being appointed to the above position he was vice minister, minister of construction for many years; he was appointed minister, chairman of the Council of Ministers Organizations and Personnel Commission in October 1989; currently he is a member of the CPV Central Committee. His name was on the list of the new government published in the cited source. (Ho Chi Minh City THOI BAO KINH TE SAIGON 8-14 Oct 92 p 6)

Le Xuan Trinh [LEE XUAAN TRINH]

*Minister, *director of the Government Office; he was born on 1 May 1933 in Tam Ky, Quang Nam - Da Nang Province; he is a graduate of the Economic College in

Kiev, Ukraine; he was vice minister of home trade, first vice chairman of the State Planning Commission; currently he is a member of the CPV Central Committee. His name was on the list of the new government published in the cited source. (Ho Chi Minh City THOI BAO KINH TE SAIGON 8-14 Oct 92 p 6)

Phan Van Khai [PHAN VAWN KHAIR]

*Deputy prime minister; he was born on 25 December 1933 in Cu Chi District, Ho Chi Minh City; he joined the revolution in 1947; he is a graduate from the People's Economic College in the former Soviet Union; currently he is a member of the CPV Politburo; before being appointed deputy prime minister by the 9th National Assembly, he was chairman of the Ho Chi Minh City People's Committee (August 1975), director of the State Planning Commission (March 1989), and permanent vice chairman of the Council of Ministers (August 1991). His name was on the list of the new government published in the cited source. (Ho Chi Minh City THOI BAO KINH TE SAIGON 8-14 Oct 92 p 6)

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